

Muslim Cleric Convicted Of Plotting to Blow Up New York Landmarks

By Malcolm Gladwell and Nancy Reckler
Washington Post Service

NEW YORK — The longest and largest terrorism trial in United States history ended Sunday when a federal jury convicted 10 radical Muslims charged two years ago in a plot to kill the Egyptian president and bomb New York City landmarks.

The trial lasted eight months and featured 200 witnesses and hundreds of exhibits. Relying heavily on the testimony of a paid FBI informant, a shadowy former Egyptian intelligence officer by the name of Emad Salem, the prosecution painted a picture of a band of Muslim radicals bent on paralyzing New York City with a massive daylong bombing spree.

After seven days of deliberations, the jury agreed with the prosecution on virtually every charge, finding the 10 men guilty of 25 separate counts of "seditious conspiracy" and other charges related to the attempted bombings.

Eight of the 10 face a maximum of 25 to 30 years in prison without parole. Sheikh Omar Abdel Rahman, the blind cleric who the prosecution claimed was the mastermind behind the plot, was also found guilty of plotting to kill President Hosni Mubarak of Egypt and faces life imprisonment. Also facing life is El Sayyid Nosair, who was convicted for the 1990 "murder in aid of racketeering" of Rabbi Meir Kahane.

Sentencing is scheduled for January. Later, Lynn Stewart, attorney for Sheikh

Abdel Rahman, called the verdict a victory for fear and prejudice. "The message here is put a Muslim on trial and they'll convict him," she said. "This became a trial of nationalism — the jury acted as Americans first."

But Mary Jo White, U.S. attorney for the Southern District of New York, retorted that "this trial is about crimes, very serious crimes, not about religious beliefs, or ethnicity or people from any particular part of the world."

The bombing conspiracy came to light two years ago, just months after the World Trade Center bombing, when a team of FBI agents swooped down on a garage in the New York City borough of Queens and arrested five men who were mixing a batch of car-bomb explosives. The FBI, it turns out, had been following the group for months.

In an indictment filed in July 1993, federal prosecutors charged that the group intended to blow up the United Nations building, the George Washington Bridge, two Hudson River tunnels and the headquarters of the FBI in a single daylong reign of terror. Separately, they intended to assassinate the Egyptian president when he visited the United States.

Sheikh Abdel Rahman, 57, who is suffering from a heart ailment and diabetes, will be taken to a federal medical facility. In a statement issued through his attorney, Sheikh Abdel Rahman said: "Anyone who has chosen this path in life has to take this in equanimity. I'm not going to be the first one to be imprisoned because of my religious beliefs, and I won't be the last one."



END OF A HIJACKING — A rescuer in the Georgian capital, Tbilisi, helping a woman who was wounded Sunday when a bus hijacker set off a grenade as the police attacked. Two passengers were killed and six seriously wounded.

Late Count Gives Victory To Socialists In Portugal

Social Democrats Lose Power as Opposition Ends a 10-Year Wait

Compiled by Our Staff From Dispatches

LISBON — Portugal's Socialists overturned the governing Social Democratic Party in elections on Sunday that ended a decade in opposition for the center-left party.

As the official count neared its end, however, the Socialists conceded that they would fall slightly short of an outright parliamentary majority. "An absolute majority at this stage is more a theoretic hypothesis than a concrete possibility," said the party leader, Antonio Guterres.

With votes from 85 percent of the 4,221 precincts counted, the Socialists had 43.85 percent of the vote, compared with 34.1 percent for the Social Democrats of Fernando Nogueira.

At a news conference, Mr. Nogueira congratulated the Socialists "for their indisputable victory."

He promised that the center-right Social Democratic Party, which won majorities in the 230-seat Parliament in both 1987 and 1991, would be a "constructive and responsible" opposition.

Jubilant Socialist leaders had earlier claimed victory as the official count, with half of the ballots tallied, showed them winning about 44 percent of the vote.

A spokesman for the Socialists, Jaime Gama, declared that Portugal would "have a new prime minister."

He said that the Socialist Party was "on the edge of an absolute majority," but added that the most likely result would see the party fall just short.

"We still have a clear mandate," he said. Under Portugal's proportional representation system, up to 45 percent is needed for outright control of the legislature.

The rightist People's Party, campaigning on an anti-European Union ticket, was in third place, with 8.9 percent of the vote, just ahead of the Communist-led CDU coalition, with 8.75 percent.

The CDU, currently holds 17 seats in Parliament, the People's Party 5, and a pensioners' party 1. The Social Democrats

EU Ministers Place Bonn in Driver's Seat on Single Currency

By Tom Buckle
International Herald Tribune

VALENCIA, Spain — Europe's ambitious project to create a single currency by the end of the decade is back on track, and Germany is unquestionably in the driver's seat.

European Union finance ministers and central bank governors reaffirmed their commitment to achieving monetary union at a meeting near this Mediterranean city on Saturday. But in a bid to give their declarations newfound credibility and heal

divisions that have erupted in recent weeks, they expressed virtually unanimous support for the tough conditions laid down by senior German officials.

Ministers from across the Union, and in particular France, openly endorsed German demands for tighter controls on public spending among countries that participate in a single currency.

Even Britain, which has the option of refusing to take part, agreed on the need for a "continuing and timeless commitment" to budgetary discipline, said Kea-

neth Clarke, the chancellor of the Exchequer.

The ministers also accepted the need for special transitional arrangements during the three-year changeover to a single currency to allow small German banks to deal with the Bundesbank in Deutsche marks.

And although none would acknowledge it publicly in advance of a decision to be taken by EU leaders at their summit meeting in Madrid in December, the participants reached a consensus that the new money would be called the Euro, a name long favored by Finance Minister Theo

Waigel, and not the Ecu, the existing currency basket that has depreciated sharply against the Deutsche mark over the last two decades.

The result, officials said, was a clear acknowledgment by Europe's monetary leaders that in order to overcome the doubts toward monetary union harbored by German consumers and financial market participants, a single currency would have to be forged on German terms — or not at all.

As one European official said of Mr. Waigel, "He can come out of this meeting

and go back to his public and say, 'The debate is going our way.'"

To be sure, the meeting did not dispel all doubts that the EU will bring about a single currency, and do so by the Jan. 1, 1999, deadline set by the Maastricht Treaty on European Union.

The official line, stated by Finance Minister Pedro Solbes of Spain, was that governments should spend the next two years slashing deficits to meet the single-currency criteria and timetable, rather than spec-

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AGENDA

14 Die in Quake In West Turkey

ISTANBUL (AFP) — At least 14 people were killed and 193 injured by an earthquake that hit the Dinar region of western Turkey on Sunday, the Anatolia news agency said.

The quake, measuring 6 on the Richter scale struck at 5:57 P.M. and caused significant damage to several public buildings in Dinar and Evcler. The public works minister, Halil Culhaoglu, said officials feared a death toll of about 100.

PAGE TWO

How Germany Was Reunited

THE AMERICAS

Clinton's Threat Belittled

EUROPE

Russia's 262-Piece Puzzle

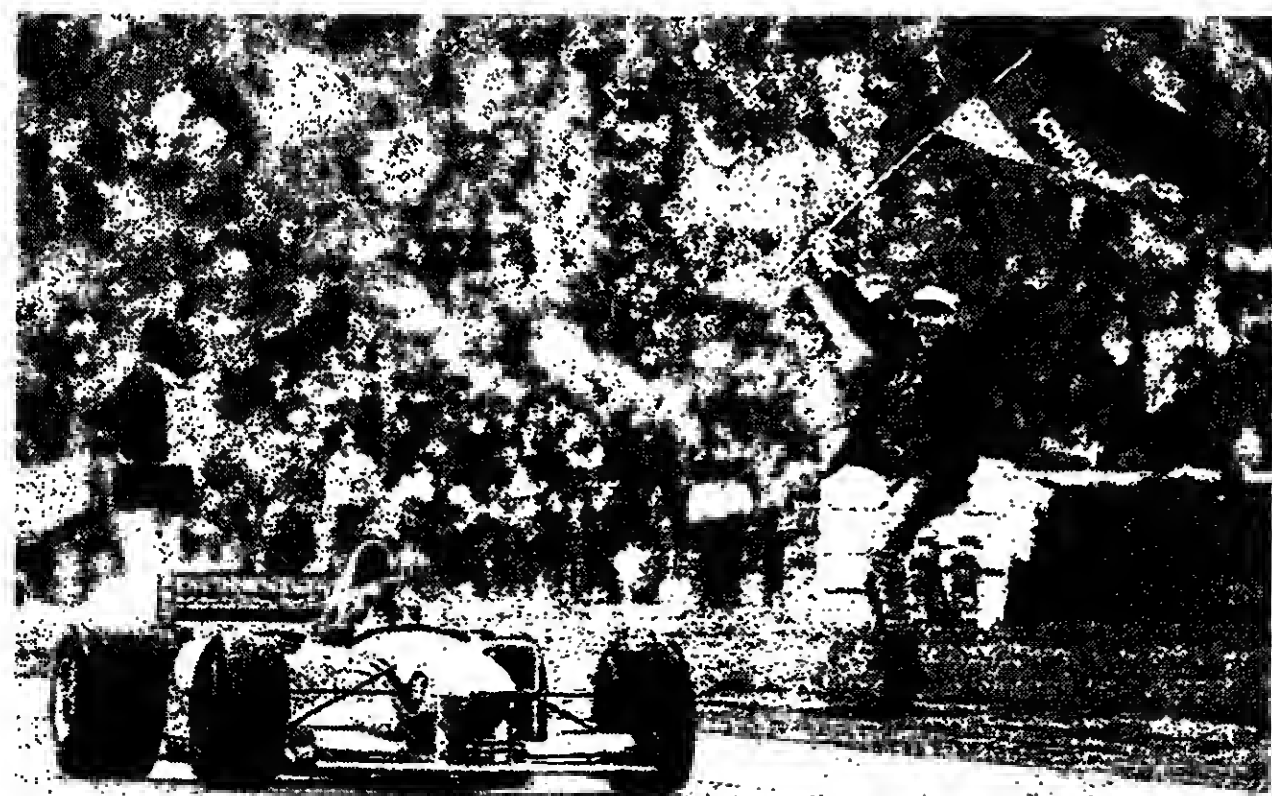
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Germany

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(FAST) HOME RUN — After the checkered flag, Michael Schumacher had a German flag to welcome him to victory in the European Grand Prix at Nürburgring, Germany, on Sunday. He all but clinched the Formula One title. Page 22.

Gadhafi Expulsions Set Off A New Palestinian Exodus

By Douglas Jehl
New York Times Service

SALAM, Egypt — High atop a barren plateau where the desert plunges into the sea, the main border crossing between Libya and Egypt brings a reminder that even as the Palestinians enter a new stage of peace with Israel, they remain caught in inter-Arab enmity.

Hundreds of Palestinians have already passed through this frontier in the last month, sent packing from Libya by Colonel Muammar Gadhafi in his determination to show that while Yasser Arafat might claim to have fashioned a Palestinian homeland, the leader of the Palestine Liberation Organization is wrong to believe that peace with Israel is possible.

Shortly after handshakes and congratulations between Mr. Arafat and other Middle Eastern leaders at the White House, there was bitterness and despair among Palestinians in Egypt who had spent years living and working in Libya only to find themselves abruptly uprooted.

"They told us they would throw us to the border," said Fatima Muhammed, a mother of three who had lived for nine years with her husband, an engineer, near Benghazi, until Libyan authorities told her early last month that the family would have to leave.

"That means those who can will go

home," she said. "And those who cannot will be lost."

Fatima Muhammed and the 13 Palestinian men, women and children, who had traveled to this crossing packed in a hired minivan, counted themselves among the lucky. Each had an Israeli-issued permit guaranteeing the right to enter Gaza, a document that Egypt has demanded from Palestinians who seek permission to make the 800-mile (1,300-kilometer) trek across Egyptian soil.

Some of the unlucky were stranded several miles away at a makeshift camp just inside the Libyan border.

There, only barely visible to the hundreds of travelers who pass through this crossing each day, UN officials say, Libyan authorities have erected dozens of tents, apparently preparing to provide makeshift housing for a new wave of undocumented Palestinians for whom eviction means becoming a refugee.

Colonel Gadhafi first signaled his plan to embarrass Mr. Arafat and the PLO early this year, when the Libyan leader called upon his neighbors to join him in forcing their Palestinian populations to "camp out in the wilderness."

In Salam, where the luckiest of Palestinian deportees have been left to brave desert scorpions, it seems apparent that Colonel Gadhafi is making good on his

See BORDER, Page 8

Japanese Try On the 'Casual Friday' Look

By Kevin Sullivan and Mary Jordan
Washington Post Service

TOKYO — Asushi Ishii wore a flowered shirt under his pale blue suit. Tetsuo Uno wore a coolly understated Ward Cleaver cardigan, and Takehiko Kigure was a wild man in hiking boots, khakis and

a loud, loud, loud "Save the Planet" sports shirt.

It was Casual Friday at Itochu Corp., a Tokyo trading company, and the Japanese "salary men" were working very diligently at looking relaxed.

Some wore their usual dark suits and white shirts, but no ties. Others wore flannel shirts, with ties. One younger man wore a T-shirt from Giorgio Armani.

"For a long time we worked too hard for the companies, but now we put more emphasis on our family life," said Mr. Uno, a budget manager in Itochu's machinery section. "This is a symbol of that."

Maybe it is nothing more than a symbol in a country where men are famous for catching the last train home at night and seeing their children only on weekends.

But Casual Friday is the latest trend sweeping Japan and the latest idea for lifting workers' morale and stimulating a sluggish economy.

Inspired by American informality and led by Itochu and several other large companies, Japan's core work force of nearly 30 million men is being encouraged to dress down on Fridays.

One problem with the concept is that

coaxing a salary man out of his blue suit and into casual clothes is like asking a zebra to wear plaid. Most Japanese working men, especially those over the age of 40, have gone to work every day of their career in a herd of other men wearing nearly identical black, navy or gray suits.

Many of them do not own many casual clothes and are uncertain how to dress away from the office or golf course.

"I'm not used to this," said Mr. Uno, 47, as he walked into work at Itochu in his green cardigan, red-and-white checked shirt and blue casual trousers. He said he was following company rules: No jeans, no golf clothes, but feel free to dress casually.

Although there are also nearly 20 million Japanese working women, Casual Friday is aimed squarely at men. Most women workers are still required to dress formally. And the younger female clerks in offices, called "office ladies," get no end-of-the-week dispensation from wearing their uniforms.

When company executives talk about Casual Friday, they tell about individual expression and increased productivity

See JAPAN, Page 8

A Jumbo Jet Misses by a Mile (Er, 200)

By Don Phillips
Washington Post Service

WASHINGTON — A Northwest Airlines jumbo jet, bound for Frankfurt from Detroit, landed by mistake in Belgium early last month, and the Federal Aviation Administration is investigating how European air-traffic controllers misdirected the plane and why the crew failed to notice until just before landing.

The investigation into how the jet landed 200 miles (325 kilometers) away in Brussels has so far traced a trail of missed opportunities to redirect the flight, including the reluctance of flight attendants to contact the cockpit crew when they and the 241 passengers clearly saw the path the plane was taking on electronic map displays in the cabin.

The only people on that plane who didn't know where they were were the three guys up front, an aviation industry source close to the investigation said.

Aviation is replete with stories of pilots landing at the wrong airport when

two airports are adjacent or at least nearby. But aviation safety officials said they were unaware of a mistaken landing at airports so far apart.

The plane, which never was in any danger, was continually under the direction of controllers who were guiding it to a normal landing at Brussels.

Sandra Allen, an aviation agency spokeswoman, said the agency office in Brussels was working with European authorities to determine what happened.

A Northwest spokesman, John Austin, said the captain, first officer and flight engineer had been grounded pending the outcome of the investigation, including a 30-year veteran captain with an otherwise spotless record.

Mr. Austin said that no matter what mistakes controllers might have made, the crew ultimately had responsibility for the flight.

"These guys had a responsibility to know where they are," he said.

The incident on Sept. 5 began when a controller at Shannon, Ireland, for some

reason changed Flight 52's destination in the air-traffic control computer.

Sources said the action could not have been done inadvertently because someone would have had to type in the new destination. It is unclear, however, why a controller did so.

Air-traffic computers across Europe then accepted the error as each country's air-traffic computer electronically accepted the assertion that the McDonnell Douglas DC-10 was to go to Brussels.

Flight attendants became disturbed by the increasingly clear change of flight plan, sources said, and some even speculated that the plane had been hijacked.

Breaking through clouds over Brussels, the crew saw for the first time the geography of the area and the layout of the airport, and realized it was not Frankfurt. The captain decided to complete the landing rather than go around and head for Frankfurt. "It was the right decision," an investigator said. "He did the safe thing."

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German Reunification, 5 Years On / A Model of Diplomacy Is Reconstructed

How, Working Secretly, Officials Swiftly Sealed the Cold War

By Joseph Fitchett
International Herald Tribune

PARIS—Somebody should have won the Nobel peace prize, but no one did, probably because it seemed so simple at the time—deceptively so. In retrospect, the reunification of the Germans five years ago Tuesday was the climax of an extraordinary year of intense international bargaining. More got done in months than usually does in decades.

Almost no other event in recent times matches the impact of that reunification. At a stroke, it produced a free Germany, sealed the end of the Cold War and helped establish a new Europe. Yet few negotiations of such importance have been concluded so rapidly. It was a model of well-managed Western diplomacy. The handful of people who negotiated the deal rejected scores of often plausible-seeming alternatives, always aware that the wrong outcome could sow the seeds of a future war in Europe.

For the first time, the inside story—what the policymakers thought and did behind the scenes—is recounted by two participants, using interviews and secret documents. The account is in a new book, "Germany Unified and Europe Transformed," published by Harvard University Press and written by Philip Zelikow and Condoleezza Rice, who worked on the National Security Council at the time.

Their account turns up no smoking guns, no secret clauses, no unknown dimensions. But it conveys the sweeping changes devised by a handful of leaders and their aides as they sought to capitalize on a rare, momentary acceleration of history. It also captures the candid exchanges among leaders about long-range fundamentals in Europe, including:

- The rooted opposition in Russia to allowing the reunited Germany to stay in NATO.

- The degree to which the German question produced ambitious plans, still largely unfulfilled, for Europe and NATO.

- The pervasive concern to avoid a nuclear Germany.

The extraordinary negotiations were formally the Two-Plus-Four, meaning the two Germanys together with Britain, France, the Soviet Union and the United States, the victorious allied powers in World War II.

In practice, the talks involved only Bonn, Washington and Moscow—and only small, secretive teams in each capital. They ignored their own professional bureaucracies, cautious about changing the status quo, in favor of political leaps

to exploit this rare, momentous acceleration of history.

Secrecy had costs. Without guidance, the media were rarely pertinent. Conservative commentators—like Britain's Prime Minister Margaret Thatcher, who warned that the Germans would be "worse than the Japanese in Europe"—concentrated on warnings against trusting the Germans. But secrecy did help neutralize opponents of reunification: France, Britain, the Netherlands and the Soviet bureaucracy. They "only had attitudes, not an alternative policy," the authors recall.

The road to unification always led through Moscow, and it opened when the reform-minded Mikhail S. Gorbachev wanted *perestroika*, his system of liberalization, to succeed enough that he would accept radical changes in Soviet foreign policy. Although it was not apparent at the time, East Germany's future suddenly became open to question in October 1989, when Moscow learned that East Germany owed \$40 billion to West Germany.

The Kremlin note-taker recorded: "Astonished, Comrade Gorbachev asked whether these numbers are exact." He did not have to explain that Moscow could not bail out a hopelessly indebted satellite that was considered to be the economic leader of the Warsaw Pact.

The East German regime's vulnerability was exposed a few days later with the collapse of the Berlin Wall. In one of history's biggest bureaucratic blunders, a flustered East German official announced that citizens would be allowed to travel and failed to cite any conditions. Crowds forced open the checkpoints, putting unification on the agenda.

THE BUSH administration already had been thinking about reunification. Robert Blackwill, who was handling European affairs for Brent Scowcroft, the national security adviser to President George Bush, had suggested that renewed emphasis on unity might counter Mr. Gorbachev's appeals and encourage Germans to continue putting up with U.S. nuclear weapons. Robert Zoellick, then top aide to Secretary of State James A. Baker 3d, had concluded independently that Germany was gaining new leverage between the two superpowers, leverage that needed to be harnessed to the goal of a Germany free, whole and Western-oriented.

The Bush team had tasted diplomatic success six months earlier when a highly secret U.S. initiative on drastic troop cuts in Europe won acclaim at a NATO summit meeting. So secrecy came naturally to a new trio, Telchik-Zoellick-Blackwill, who stayed in daily contact.

"We only had one real worry all the time: I used to wake up in the middle of the night wondering when it would ma-



Germany Day being marked Sunday at the Brandenburg Gate with a flag combining the federal states' colors.

uncharted course on their own—a view that the Bush administration backed unflinchingly.

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"We only had one real worry all the time: I used to wake up in the middle of the night wondering when it would ma-

terialize," a U.S. insider recalls. This foreboding was that Mr. Gorbachev would offer Soviet blessing for reunification in exchange for German neutrality, a development that would tilt the balance of power in Europe toward Moscow. A public Soviet offer along these lines would have appealed strongly to both Germanys, possibly enough to force Mr. Kohl to reconsider Germany's NATO status. That would have traumatized the U.S. relationship.

Moscow never played the card, apparently because Mr. Gorbachev and his team—Foreign Minister Eduard A. Shevardnadze and his key aide, Sergei Tarasenko—wanted to avoid a clash.

The key issue was not reunification. That was settled in March 1990, when East Germans voted massively for reunification, confirming Mr. Kohl's political hunch and shattering Soviet self-confidence.

The terms were negotiable for Washington and Bonn, except on a sole point: NATO membership for Germany. Months were spent getting Soviet acquiescence. The turning point came in June 1990 when Mr. Gorbachev visited Washington. By this time, the White

House felt that the German question dominated all other diplomatic issues. The talks dived on until suddenly, in response to a suggestion from Mr. Bush, Mr. Gorbachev nodded agreement that a country should be allowed to choose its own alliances.

Extraordinarily, a leader had changed his mind at the negotiating table.

Startled, Mr. Blackwill passed a note to the president suggesting that he try to get Mr. Gorbachev to say it again. The Soviet leader did, leaving his aides twisting in their chairs in dismay. Mr. Zoellick calls the scene "one of the most extraordinary" he has witnessed.

Mr. Gorbachev apparently was worn down by the common front presented by Washington and Bonn. Even though it was too late to block Mr. Gorbachev, Soviet conservatives, particularly the military establishment, which apparently had not grasped how far Mr. Gorbachev was going, have never forgiven Russia's civilian leadership.

To sweeten the pill, Washington pushed through a sweeping plan to make NATO seem less threatening and to show that NATO's gain helped Russia's security. That reorganization failed to

sway Russian hard-liners and has since hocked deeper changes that strategists believe NATO needs.

Another by-product was spawned by President François Mitterrand's obvious distaste for reunification. The mood in Paris had sunk to near-despondency. As a U.S. diplomat reported to Mr. Bush, "Gone is the vision of a Europe co-managed by equals in Paris and Bonn, with German economic superiority offset by France's nuclear capability."

TO SALVAGE the badly strained Bonn-Paris bond, which was needed to reassure the rest of Europe, Mr. Kohl sent Mr. Telchik to Paris for secret talks that produced a joint call for economic and political unity in the EC. This initiative won European support for reunification and led to the Maastricht treaty.

All along, U.S. officials stressed their view that a united Germany's membership in NATO would lower nuclear tensions in Europe, not least because the alternative, a Germany with no security guarantees, might be tempted some day to go nuclear.

In addition, the Bush administration abruptly changed the nuclear doctrine of the United States, and therefore of NATO, by declaring nuclear arms to be "weapons of last resort." That was Mr. Blackwill's wording, formally put forward by his higher-ranking friend, Mr. Zoellick, and kept secret ahead of a NATO summit meeting in June to avoid allied objections.

The phrase was ambiguous enough to preserve the deterrent threat of "using nuclear weapons first." The shift was endorsed by Western leaders, although Mrs. Thatcher objected that it was too big a concession. "I never had much use for diplomacy anyway," she acknowledged, "and I've got on very well without it."

It was the last concession. Mr. Baker made it plain that, if Moscow stonewalled, the United States was ready to abandon its rights in Germany—an initiative that Britain and France would join, leaving Russia isolated. On July 13, Mr. Gorbachev, talking with an aide before a state visit by Mr. Kohl, said that "the train has left."

The next day, when Mr. Kohl asked whether a reunified Germany would be fully sovereign, Mr. Gorbachev said matter-of-factly: "This is obvious."

COMING UP

The worst may yet lie ahead in West Africa's latest civil war, according to relief workers and military experts.

North Is Staging Military Buildup, Seoul Warns

Compiled by Our Staff From Dispatches

SEOUL—The South Korean defense minister, Lee Yang Ho, said Sunday that North Korea was improving its military capabilities despite serious economic problems and recent flood damage.

He said North Korea had se-

cured enough military supplies for three to four months of combat and was operating a 100,000-troop special combat unit.

"In particular, the North has continuously conducted attack training in areas geologically similar to South Korean land,

Mr. Lee said. The defense minister added: "Our military force must closely monitor North Korea's every move and be prepared to cope with any and every situation rapidly and effectively."

President Kim Young Sam said in an address commemorating Armed Forces Day that South Korean military forces must closely monitor North Korea's every move and be prepared to cope with any situation.

"North Korea is suffering from serious economic difficulties, including food and energy shortages," he said. "It will be difficult for them to solve such difficulties in the near future. In this respect, the next two to three years will be a very critical period in terms of national security."

Japan and North Korea, meanwhile, failed to reach accord Sunday on details of Tokyo's additional rice aid for Pyongyang, but both sides were expected to continue the talks. Kyodo News Service reported.

Delegates from the two countries declined to disclose the outcome of the two days of talks in Beijing, Kyodo News Service said.

The two sides remained divided over details of a deferred payment formula for the 200,000 tons of rice that Japan has offered to provide to North Korea to help ease the country's food shortage. The proposed supply follows the provision of 300,000 tons, half for free, negotiated in June.

Seoul has pledged 150,000 tons of free rice to Pyongyang, but further commitments hinge on the fate of a South Korean trawler, the 103-ton Woosung 86, and its eight remaining crew members being held by North Korea.

South Korean officials have said there is little hope for settling a dispute over what Seoul regards as Pyongyang's hijacking of the trawler. The ship was seized May 30 by a North Korean patrol boat, and three of its crew are reported to have died in custody.

When North Korea and Japan resume talks, they are also expected to discuss the possibility of resuming discussion on normalizing ties. Japan has had diplomatic ties with South Korea since 1965, but it has had no official relations with the government in the North.

(Reuters, AP, AFP)

Anand Ekes Out Draw, Keeping Chess Match Alive

The Associated Press

NEW YORK—Garry Kasparov, the world chess champion, was so sure of his challenger's 31st move that he wrote it down on his score sheet before it was played.

Mr. Kasparov said he had missed it, Mr. Anand said after the game, referring to the 31st move.

The draw, coming after two consecutive victories for Mr. Kasparov, keeps Mr. Anand's chances alive as the contest moves into its fourth week. With eight games remaining in the 20-game match, Mr. Kasparov leads, 6.5 points to 5.5.

"He had to stop the bleeding and he did that," said Yasser Seirawan, an American grandmaster.

But Mr. Anand played on the defensive for much of Friday's battle. Despite avoiding a hat trick of losses, a subdued Mr. Anand described his standing in the match as "not brilliant."

"I'm just taking it as it goes along," he said. "They'll be a lot more turns I hope."

The 13th game is scheduled for Monday, with Mr. Anand playing white. The winner of the contest will be the first player to score 10.5 points. The winner's purse is \$1 million. The loser gets \$500,000.

TRAVEL UPDATE

A Giza Pyramid to Shut for Repairs

CAIRO (Reuters)—The second of the three Great Pyramids at Giza will be closed to visitors for three months because the breath of hundreds of thousands of tourists is damaging the limestone walls of the interior, the authorities announced Sunday.

Zahi Hawass, director of antiquities on the Giza plateau, said that during a three-month period starting Oct. 10 the antiquities department would spend about \$90,000 on repairs and improvements. The pyramid is that of the pharaoh Chephren.

"We've found that each visitor breathes out about 20 grams of water, and the condensed water turns to salt on the limestone," said Mr. Hawass. "We're going to put in a ventilation system, take the salt off by scraping the walls, mend the cracks and redo the electricity system."

Kuwait Smoking Ban Takes Effect

KUWAIT (AFP)—A tough new law banning smoking in the streets or even in private cars came into force in Kuwait on Sunday, the Health Ministry said.

The law orders public and private institutions to set aside special smoking zones and bans smoking in the street and in all other public areas. Offenders will be fined 50 dinars (\$15).

Croatia Reopens Popular Lake Site

ZAGREB, Croatia (Reuters)—The Croatian authorities have reopened one of former Yugoslavia's most popular tourist attractions after four years of closure because of the war.

The Plitvice Lakes, a group of jade-colored lakes 160 kilometers south of Zagreb, officially reopened Friday.

The Munich Beer Festival smashed attendance records with 6.7 million visitors in 16 days, organizers said Sunday. (AFP)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bolivia, China, Guinea, India, Lesotho, Nigeria, Togo, Zimbabwe.

TUESDAY: Germany, Honduras, Korea.

WEDNESDAY: Israel, Portugal.

THURSDAY: Mexico, Romania.

FRIDAY: Egypt, Syria.

Sources: J.P. Morgan, Reuters.

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Aruba (low phone)	1-800-366-4463	Czech Republic	002-282-187	Italy	072-277	Netherlands	115
Argentina	001-800-777-1111	Denmark	800-1-0877	Japan (toll-free)	875	Poland	176
Australia	8-10-153	Dominican Republic	11649-77	Japan (toll-free/doc)	5	Portugal	105-01
Australia (toll-free)	1-800-331-10	Ecuador	999-171	Japan (toll-free)	1-800-877-8000	Philippines (PhilCom)	109-411
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Bahrain	800-777	Germany	990-1-0284	Korea (Seoul)	009-13	Puerto Rico	1-800-877-8000
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Belgium	800-1000	Hong Kong	0120-2013	Latvia	155-777	Russia (Moscow)	155-125
Belize	1-800-422-0277	Hungary	006-501-011	Lebanon	010-187	Saudi Arabia	800-877-8000
Bolivia	000-3333	Iceland	550-1366	Luxembourg	000-0115	Spain	233-0333
Brazil	000-8016	India	193	Macao	800-121	Sweden	1-238-0333
British Virgin Islands	1-800-877-8000	Indonesia	121	Malaysia	800-0016	Switzerland	173-1877
Bulgaria	85-360-010	Iran	800-1877	Mexico	45-800-877-8000	Taiwan	1800-15
Canada	1-800-877-8000	Israel	875	Netherlands	0039-121	Thailand	800-877-8000
Cayman Islands	1-800-366-4463	Italy	00-800-01-877	Netherlands	06-023-9119	Turkey	0090-89-0877
Chile	00-0317	Japan	800-9003	Netherlands	0039-121	United Kingdom (UK)	0044-99-0877
China	108-13	Kenya	000-12	Netherlands	0039-121	United Kingdom (UK)	0044-99-0877
Colombia	990-135-010	Korea (Seoul)	001-135-15	Netherlands	0039-121	United States	1-800-877-8000
Costa Rica	0000-011-0113	Latvia	006-801-13	Netherlands	0039-121	Venezuela	800-1111-0

THE AMERICAS

Republicans Belittle Threat of a Welfare Veto

Compiled by Our Staff From Dispatches
WASHINGTON — Republican congressional leaders on Sunday minimized a threat by President Bill Clinton to veto a bill that he said would mean a disastrous slowdown in spending on health care for the aged and the poor.

Senator Bob Dole of Kansas, the majority leader, accused Mr. Clinton of mounting a "year campaign to scare seniors."

But he added that Democrats and Republicans were not too far apart and that it was not too late for compromise.

"Maybe we can do all this before we have a veto scenario," he said on the CBS News program "Face the Nation."

The speaker of the House,

Newt Gingrich of Georgia, lashed out at Mr. Clinton. "The president is grotesquely exaggerating, and it's frankly very sad to see him trying to scare 85-year-old people," he said on the ABC News program "This Week With David Brinkley."

But, echoing Mr. Dole, he said, "I can't imagine in the end the president is going to veto welfare reform."

The Senate Finance Committee voted sweeping changes in health insurance programs. It approved, by an 11-10-9 party-line vote last Friday, a bill that would put a lid on the growth of the Medicare and Medicaid, as well as on tax credits for the working poor.

Donna E. Shalala, secretary of health and human services,

said over the weekend that the Republican cuts would be "literally cataclysmic." She said the president would veto such a measure.

The Finance Committee bill would "burn a hole in the social safety net," she said. "I cannot believe that the richest country in the world can't afford to take care of its poorest citizens, and that justice will be determined by geography, by the generosity of the place where the poor happen to live."

"The president will veto any bill that takes these enormous sums out of a health care system that cannot absorb this much this fast," Ms. Shalala said in an interview as the administration stepped up a campaign against a deficit reduction plan moving through Congress.

"It will be a long and bitter fight," she said, "but we are not going to give up."

Senate Republicans assured the confrontation when the Finance Committee voted Saturday to make historic changes in the nation's health insurance programs, ending the federal guarantee of benefits to the poor, elderly and disabled under Medicaid and saving \$270 billion from Medicare by charging more, paying less and offering seniors new choices of health insurance.

The committee proposal would dramatically ebb Medicare, allowing its 37 million beneficiaries to either stick with its traditional fee-for-service system or choose among

such options as health maintenance organizations or medical savings accounts and pocket some of the difference.

Finance Committee Republicans would save \$270 billion from Medicare by holding down payments to hospitals and doctors, canceling a scheduled break on premiums, raising the annual deductible from \$100 to \$150, and making well-off retirees pay more.

If the savings do not materialize, the federal government will be required to reduce payments to doctors and hospitals whose Medicare patients have remained in the traditional system.

The committee toughened its attitude toward affluent retirees by making singles pay more for Medicare once they make \$50,000 a year, and couples \$75,000. Earlier, the committee held thresholds to \$75,000 and \$100,000 respectively.

The committee would also gradually raise the age of eligibility for Medicare from 65 to 67 starting in 2003.

The extraordinary changes in Medicare pale by comparison to the dismantling of the existing federal Medicaid program envisioned by the Republicans as they turn Medicaid over to the states with block grants.

Medicaid now provides health insurance for 36 million poor women and children, elderly and disabled Americans. It cost the federal and state governments \$155 billion last year, most of that for impoverished elderly patients in nursing homes. Medicaid pays more than half of all nursing home bills in the country. (IHT, WP)

IRS Decrees A \$75 Floor On Receipts

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The Internal Revenue Service, after years of complaint from business, will no longer require receipts for business travel and entertainment unless the expense exceeds \$75. Since 1962, the threshold has been \$25.

Commissioner Margaret M. Neenan called the new rule, which took effect on Sunday, "part of our ongoing efforts to make government work better and cost less."

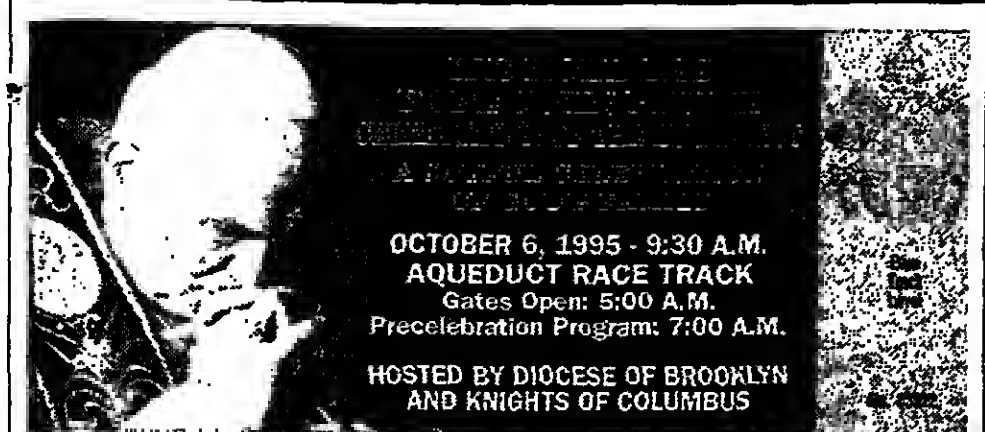
At the same time, the IRS said it was considering rule changes to make easier the electronic filing of expense accounts, among other things.

Tax lawyers and corporate executives greeted the change in business receipts. "I'm totally delighted," said Mary B. Hevener, a tax specialist in the Washington office of Weil, Gotshal & Manges, who represents many corporate clients and has long fretted personally about the need to obtain and keep track of receipts for relatively minor purchases.

"You won't have to scrounge around for the little stuff," she said.

The IRS said it had conducted no analysis of possible revenue loss and hoped there would be none since deduction amounts do not change, only the documentation requirements.

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COMING SOON TO NEW YORK — Pope John Paul II's image is on the tickets to the Mass that he will celebrate on Friday at Aqueduct Race Track in New York.

Away From Politics

Two-thirds of American Roman Catholics hold favorable opinions of the Pope, while a mere 2 percent feel unfavorably disposed, according to the latest New York Times/CBS News Poll. The rest say they are undecided or lack knowledge to make a judgment. Pope John Paul II is more popular than eight years ago, just before his second visit to America, when 59 percent of American Catholics regarded him favorably. (NYT)

The tropical storm designated Opal moved into the warm waters of the Gulf of Mexico

on Sunday and was expected by forecasters to strengthen into a hurricane. Opal, the 15th named storm of this year's unusually active hurricane season, had winds of 60 miles an hour (97 kilometers an hour) and was moving west at 8 miles an hour. (Reuters)

A man in Florida is accused of trying to extort \$2.5 million from Quaker State Corp. by threatening to give away the secret formula for the engine treatment Slick 50. Azaad Ali Hosen, 35, was arrested at a hotel near Fort Lauderdale-Hollywood International Airport on Friday after handing a 30-page document to an undercover FBI agent posing as a courier for Slick 50. (AP)

CIA Chief Drops 2 Over Guatemala

Los Angeles Times Service
WASHINGTON — In the first major test of his leadership of the nation's spy service, the Central Intelligence Agency director, John Deutch, dismissed two senior agency officials and punished eight others for their involvement in the scandal surrounding the agency's shadowy role in Guatemala.

Mr. Deutch's decision to impose stern punishments in the messy controversy appeared to represent a conscious effort by the new director to distance

himself from his predecessor, R. James Woolsey Jr., who lost his job following his refusal to mete out tough discipline to CIA officials in the wake of the Aldrich Hazen Ames spy scandal.

Mr. Deutch told Congress in classified briefings that he was dismissing Terry Ward, former chief of the CIA's Latin America Division, and Fred Brugger, former chief of station in Guatemala, and had demoted and reduced the pay of Dan Donabue, another former Guatemala-

lan station chief. Mr. Ward and Mr. Brugger are being forced to retire, but will be allowed to receive their pension benefits.

Six other current or former CIA officers also received reprimands, including a retired chief of the CIA's clandestine arm, and another former chief of the Latin American Division who also has retired. Another official slated for a reprimand won a last-minute reprieve from Mr. Deutch, who will decide later whether to impose that punishment.

AMERICAN TOPICS

Carnegie Hall Regains Resonance

Ever since Carnegie Hall in New York reopened in 1986 after a seven-month, \$30 million overhaul, people complained that the sound was not as warm as it used to be.

Earlier this year, Carnegie Hall staff members noticed that the maple stage floor had warped. They discovered that someone had poured a layer of concrete under the stage during the renovations. So, at a cost of \$180,000, the concrete was removed. And that seems to have done the trick.

"It is really a round sound," said Wolfgang Sawallisch, who led the Philadelphia Orchestra in the first concert in the 104-year-old hall after the concrete was torn out. "You can hear every section of instruments very clearly. But together it is a very warm sound."

Short Takes

A vintage B-26 Martin Marauder, a medium bomber so tricky to handle that it was reviled during World

War II as a "widow maker," crashed and burned in a field near Odessa, Texas, during practice for an air show, killing all five crew members.

As doctors fought to save James Beck, a Baltimore policeman shot by a driver he had stopped, a nursing assistant scribbled down the officer's Social Security and credit card numbers and later charged more than \$15,000 in electronic goods and jewelry in his name, federal agents say. John Wayne Cunningham, 43, was arrested on charges of felony theft and filing false applications. Mr. Beck, 42, has recovered both his health and his credit cards.

Baseball Notes: Richard Murphy's house in Henderson, Nevada, sits behind center field of a public baseball diamond and, despite a wall, a 35-foot (10-meter) high net and row of pine trees, baseballs regularly splash into his pool and shatter roof tiles and windows. So Mr. Murphy stole the bases, literally, and was arrested for theft. "We're going bananas," he said. "What else does it take to end this madness? Someone dying from a bead injury?"

International Herald Tribune.

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POLITICAL NOTES

Dole Boasts Fattest Purse

WASHINGTON — Senator Bob Dole of Kansas, continues to lead the Republican presidential fund-raising sweepstakes, raking in \$3.5 million in the third quarter of the year, far outstripping all of his rivals. His closest competitor, Senator Phil Gramm of Texas, raised \$2.1 million in the quarter, but spent even more.

President Bill Clinton, enjoying the advantages of incumbency, led all candidates with receipts of more than \$9 million in the latest reporting period, bringing his total since late June to roughly \$19 million. With few immediate expenses — the taxpayers pick up the tab for most of his travel and he does not face a primary challenge — Mr. Clinton has been able to sock away the majority of what he has raised. Mr. Clinton's campaign finance chairman, Terry McAuliffe, said the campaign now had considerably more than \$10 million in cash on hand. Most of that is being hoarded for an advertising offensive next year.

Mr. Dole's third-quarter tally brings his fund-raising total since the first of the year to \$19 million. He expects to raise an additional \$300,000 on Saturday night at a fund-raiser in Miami. Mr. Gramm has also raised about \$19 million, counting in \$4.8 million transferred from his last Senate campaign.

Among other Republicans, former Governor Lamar Alexander of Tennessee took in about \$1 million in the third quarter and spent it all and then some, said his spokesman, Mark Merritt. The campaign has only \$600,000 on hand, but is planning a major fund-raising blitz this fall.

Senator Richard Lugar of Indiana raised \$900,000 in the third quarter, bringing his year-to-date total to \$3.9 million. The campaign has about \$400,000 cash on hand.

The conservative commentator Patrick Buchanan brought in about \$2 million in the third quarter, according to an aide, but final figures were not available. Senator Arlen Specter of Pennsylvania raised \$1 million in the last three months, for a total of \$2.7 million this year. (LAT)

Helms Frees 'Hostages'

WASHINGTON — Senator Jesse Helms agreed to allow the Senate to consider more than 30 ambassadorial appointees and other presidential nominees after the Clinton administration agreed to work with him on a bill to restructure its foreign-policy bureaucracy.

As part of a two-month campaign to pressure the administration to take him more seriously, Mr. Helms, Republican of North Carolina, had also halted business meetings of the Senate Foreign Relations Committee, of which he is chairman, blocked 400 State Department promotions, and refused to allow the Senate to ratify any treaties, including START-2 and the Chemical Weapons Convention.

The stalemate with the administration has left about 15 percent of U.S. embassies around the world without ambassadors and the day-to-day foreign policy-related business on Capitol Hill largely stalled.

Under the agreement, Mr. Helms would now allow the full Senate to vote on 15 ambassadorial nominees to countries like Bosnia, Panama, Zaire and Qatar. He would also hold a business meeting of the Foreign Relations Committee on Oct. 19 so that it can hold hearings for 18 other nominees.

Earlier in the week, in a separate concession to the White House, Mr. Helms agreed to hold hearings Oct. 12 for James Sasser, the former Democratic senator from Tennessee, as ambassador to China. (NYT)

Quote/ Unquote

President Bill Clinton in his weekly radio address, talking about a Republican measure to cut spending on medical care for the poor and the elderly: "Think about it. Who wants a Medicaid police with vast power to seize your assets and put you out of your home and make sure you have nothing left to pass on to your children? I don't think it should be a precondition that if a husband has to go into a nursing home, his wife has to go into the poorhouse." (NYT)

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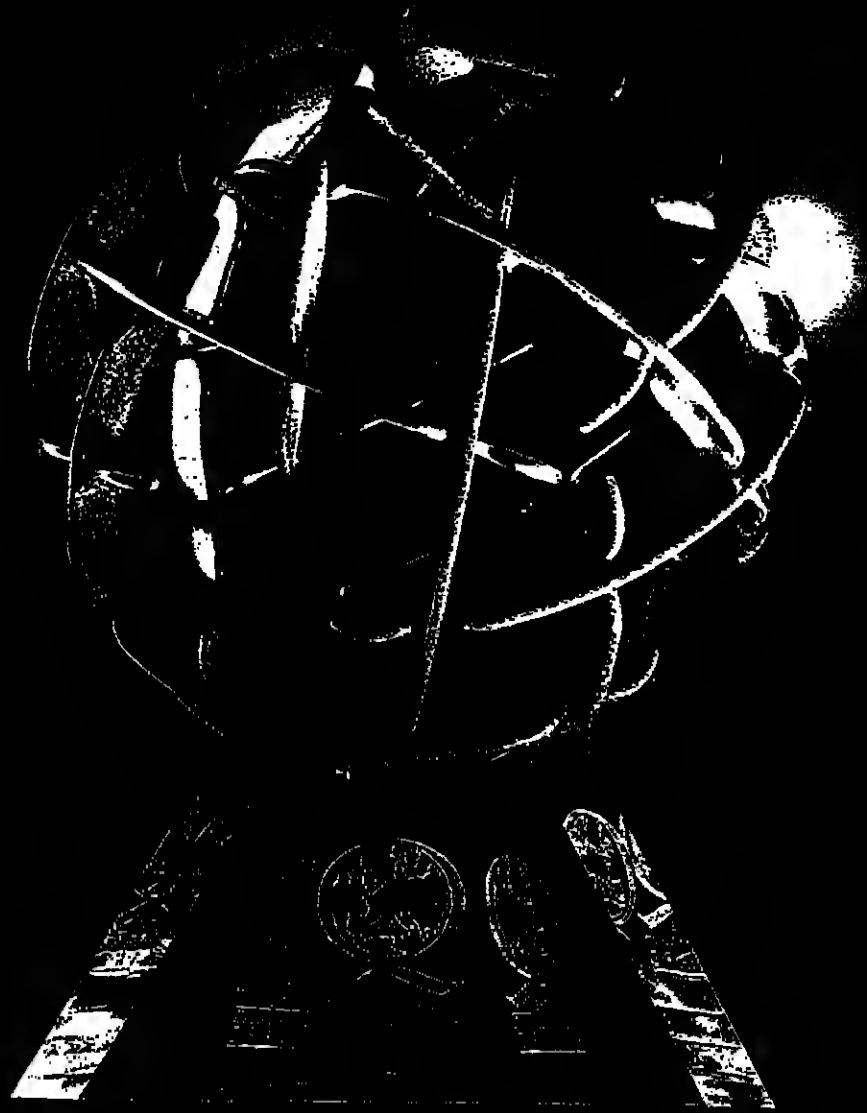
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INSTRUMENTS**

EUROPE

Russia's Pluralist Puzzle: 262 Pieces

By David Hoffman
Washington Post Service

MOSCOW — Once upon a time there was the Soviet Union, a one-party state. Now there is Russia, a 262-party state.

Less than three months before Russia's second post-Communist parliamentary election, the political scene has exploded into tiny fragments of parties, blocs and movements, a frenzied and quirky festival of pluralism in which the lowest common denominator is the "divan party" — just enough members to fit on a couch.

For Russia's nascent democratic experiment, this seems to be the free-for-all season. Even the country's most popular national politicians barely command the support of more than 10 percent of the electorate.

The search is still underway for a national consensus; society is riven by fiercely competing camps of democrats, nationalists and Communists. In the background lurk powerful

banks and financial-industrial groups, hoping to grab power and more of the country's natural resources. The response of Russia's political elite has become: All for none, and none for all.

So far, 262 parties have registered at the Justice Ministry, and 42 parties, blocs and political movements have informed the Central Election Committee that they are trying to get on the Dec. 17 ballot for the 450-member lower house of Parliament, the State Duma.

In addition to various reformers, nationalists, Communists, Agrarians and authoritarians, there are parties of beer drinkers and invalids, pensioners and environmentalists, monarchists and Orthodox believers, women and bank depositors. There is the Party of Indigent People and Those Abused by the State, and the party of the Border Generation, which describes itself as roughly equivalent to thirty-somethings. There is a Union of Muslims in Russia and a Party for the Union of Slavic Peoples.

The number of parties is one sign that Russian democracy is flourishing. But the fragmentation is increasingly worrisome to politicians and analysts who fear that many parties are about to consign themselves — and their leaders — to oblivion.

By law, half the seats in the Duma are elected from single-member districts. The others are awarded proportionately, based on party lists, but a party must get more than 5 percent of the vote to win any seats. There are more and more indications that so many similar parties are competing for the same group of voters that all might fail — and only a handful will reach the 5 percent threshold.

President Boris N. Yeltsin recently bemoaned such "fractionalization" and predicted that many of the parties would fail to get into the Duma.

Earlier this year, Mr. Yeltsin tried to create two new centrist blocs, which he hoped would crowd out extremists on the left and right. But defections and splintering increased. One of the blocs, under the Duma chairman, Ivan Rybkin, is already splitting up, and the other, called Our Home Is Russia, with Prime Minister Viktor S. Chernomyrdin at its helm, has not yet become a powerhouse.

The 1993 constitution left the Duma relatively toothless and vested far more authority in the president. The constitution gives members of Parliament no role in forming a government, depriving them of incentive to coalesce into larger, more powerful blocs.

Yet the parliamentary elections are important. The Duma can throw up obstacles for the government and could be crucial in determining whether democratic and market reforms move ahead or are rolled back.

In addition, the Duma elections will be an important precursor of the presidential election next June. The fortunes of several potential presidential candidates who might challenge Mr. Yeltsin, among them Grigori Yavlinsky, an economist, and Alexander Lebed, a former general, could hinge on the outcome of the Duma campaign.

No one has been hurt more by the fragmentation of Russian politics than the democratic and free-market forces around Yegor T. Gaidar, a former prime minister who helped launch Mr. Yeltsin's radical reforms after the collapse of the Soviet Union. They lost the

confidence of many voters as the economy sputtered. But they have also been marginalized by their own infighting.

Mr. Gaidar leads one reform party, Russia's Choice. Another, larger party is headed by Mr. Yavlinsky. A third party is run by Boris Fyodorov, a former finance minister.

Earlier this year, Mr. Gaidar and Mr. Yavlinsky flirted with a joint ticket, but Mr. Yavlinsky, the more popular of the two, disowned the idea. Polls suggest that both Mr. Gaidar and Mr. Fyodorov may have difficulty getting into Parliament, although Mr. Yavlinsky's party almost certainly will.

"All of these leaders of small parties are trying to find their own places, to show they are the leader and the boss," said Yekaterina Yegorova, co-director of a political image-making concern here that has advised democratic reformers and centrists. "Each leader has his own narrow interests, and each one is a hostage of banks and financial structures with a stake in them."



CAMPAIGN FOR THE VOTE — A Latvian debating with Russian noncitizens protesting in Riga for the right to vote. Latvians voted for a Parliament for the second time since gaining independence from the Soviet Union in 1991.

BRIDGE

By Alan Truscott

PLAYERS from the New York area will be at the forefront in Beijing when the World Women's Team Championship is held.

One of the American teams, which is not financed by the national organization, includes Jacqui Mitchell and Amalya L. Kease.

Mitchell won the Regional Women's Pairs with Lynn Tarnopol. On the diagrammed deal, they had no trouble defeating four hearts, when Tarnopol made a passive trump lead. At another table, Tarnopol's sister, Sandy Boas, succeeded in four hearts, reached as shown. The two-club bid was Drury, showing heart support, and East's double showed clubs.

South won with the jack, cashed the heart ace and led to the queen. She then led a diamond to the jack, and the defense was helpless when West took the ace. A shift to the club ten was now too late. Dummy played low, and East could not afford to win with the ace, giving South two tricks in the suit.

and an eventual spade discard from the dummy.

South was permitted to win with the queen, and finessed the diamond nine, setting up a discard for a spade from her hand. The winning defense was difficult: East should have risen with the king when diamonds were first led, and returned a spade while West held a diamond winner.

Making this contract helped Boas and Radin, finish third.

NORTH (♠)
 ♠ Q 7 2
 ♥ Q J 9 7 3
 ♦ Q 8 5
 ♣ K 8

WEST
 ♠ K 9 6 4 3
 ♥ 8 2
 ♦ A 10 8 3
 ♣ 10 2

EAST
 ♠ 10 5
 ♥ 4
 ♦ K 7 6 2
 ♣ A J 9 8 5 3

SOUTH
 ♠ A 3 8
 ♥ A K 10 8 6
 ♦ 4
 ♣ Q 7 4

Both sides were vulnerable. The bidding:

North East South West
 Pass Pass 1 ♥ Pass
 2 ♣ Del. Pass 2 ♣
 3 ♥ Pass 4 ♥ Pass
 Pass Pass

West led the spade four.

Some Britons Are Refusing to Budge an Inch

By John Darnton
New York Times Service

LONDON — Judy Bird, 60, leaned over the gutter counter at Sainsbury's on Victoria Street and in her understated way said what she thought: "Bloody nuisance. Why can't they bloody well leave us alone? We always come off worse when they muck around."

Throughout Britain, Sunday was what the authorities euphemistically called "M-day." M does not stand for murder. Or mayhem. Or massacre. But judging from what you hear around town, it might just as well.

M stands for metrication. Sunday was when Britain took a giant step in formally relinquishing its beloved foot and pound and inch and ounce and converting to that new-fangled import from the French Revolution, the metric system.

As might be expected in a land where judges wear horsehair wigs from the 18th century, the Queen has a courtier called the Gold Stick in Waiting, and opposing parties in Parliament are kept two swords' lengths apart lest they hurt each other, the changeover is being viewed as a foul Napoleonic wind blowing over from the Continent.

Once again, one of our cherished British traditions sinks into the swamp of an integrated Europe, was how one

of the more reflective Daily Express readers put it in a letter to the editor. "It's time we British fought back."

Fighting back is just what Vivian Linacre, a surveyor who heads a new group called British Weights and Measures Association, vowed to do. At a news conference in the basement of a modest club near the Marble Arch last Friday, Mr. Linacre promised a "massive campaign of public resistance" that would rival the Russian Revolution. "What we are about today, ladies and gentlemen, is to start another October Revolution — that's exactly what we're doing," he said.

Take away the portrait of the Queen above Mr. Linacre's head, substitute overalls for his blue pin-strip suit and mentally erase the rows of men harumphing "hear, hear" in the back, and one might have been transported back four score years to Lenin haranguing the workers at the Finland railway station in St. Petersburg, a historian in the crowd thought.

Waxing indignant at criminal sanctions in the new law — in theory a shop owner could be fined £5,000 (\$7,700) if he does not comply with it — Mr. Linacre predicted martyrs would come forward and multiply. He painted a grim picture of Britain a few years down the road with retailers behind bars for refusing to utter the words "liter" and "kilogram."

"They'll have to set up camps all over the country — in the Scottish Highlands, the Midlands, everywhere!" he thundered, wagging his finger in the air. "They'll be full of hundreds of thousands of small-business people."

The Department of Trade and Industry, which seems caught off guard by the public reaction, is at pains to point out that metrication has actually been under way here since 1972 (it was given 10 years to settle in at the time) and that what happened on M-Day was simply a watershed.

Beginning Sunday, transactions involving liquid measures and linear measures had to go metric, so goodbye gallon and yard. As far as weights, any food that is prepackaged will have to be in grams and kilograms. But loose food in bulk — mostly fruits and vegetables — will have a dispensation. It will not go metric until January 2000, the idea being, presumably, that perhaps by then the public will learn to make the required mental conversion.

"What we're talking about now is mostly meat, poultry, fish, cheese, anything that comes prepackaged," said Fran Atkins, a spokesman for the department. "People don't realize that over 80 percent of what they buy in grocery stores right now is already metric. Funny enough, no one really notices."

And then there are what the department grandly calls "descriptive measures." These are special cases, so deeply embedded in public consciousness that they will be allowed to continue.

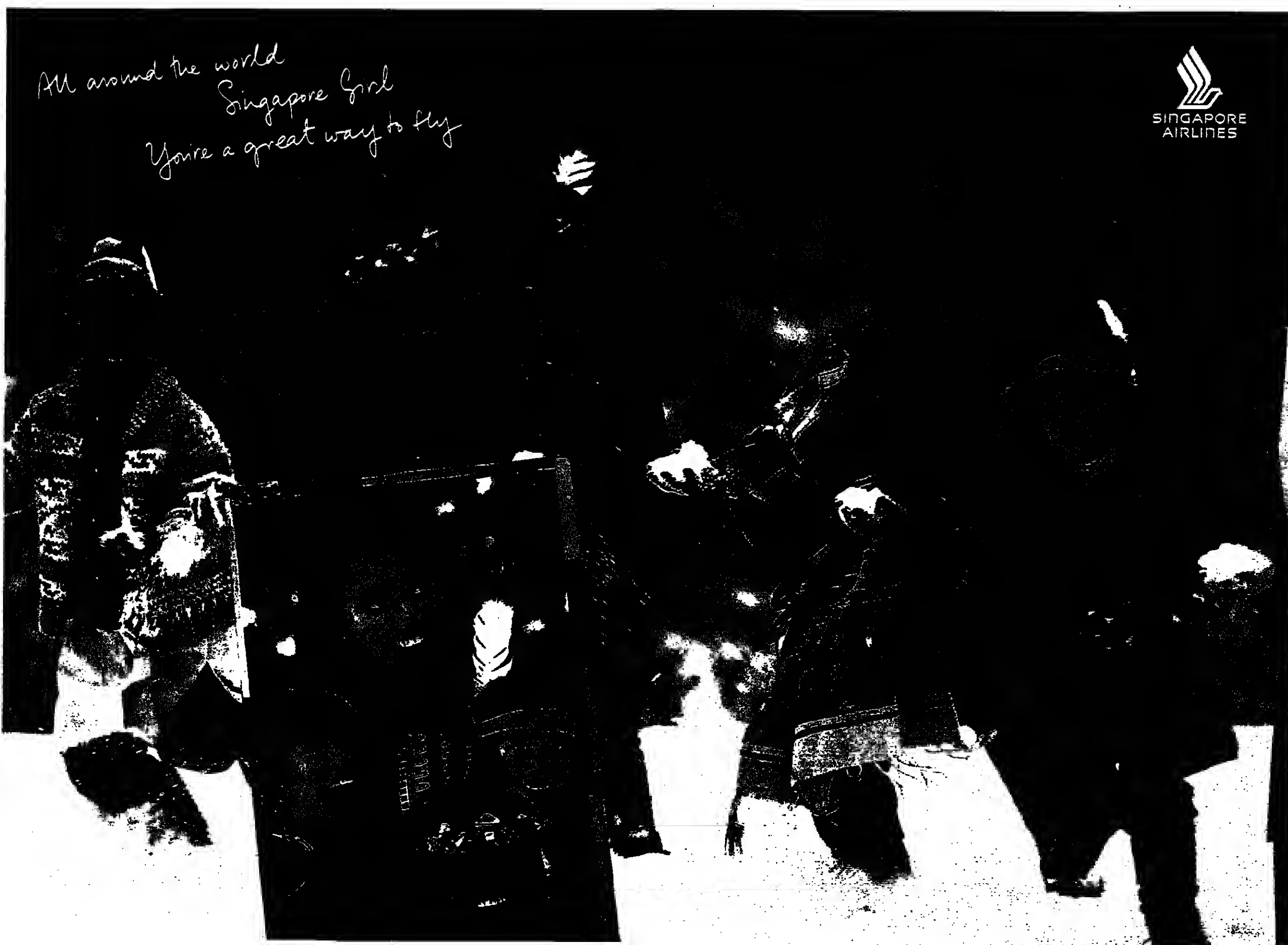
"You can ask for a 9-by-5 rug," she said. "The same with a five-foot bed or a 15½ collar or a 29-inch inside leg or a six-foot bookcase. Also a 3¼-inch floppy disk and a 16-ounce steak."

And yes, she added, with the air of someone who has fielded the question dozens of times — McDonald's will still serve quarter-pounders.

The two greatest dispensations of all are the mile, which will remain king of the road, and the pint, as in what you order in a pub. There are certain things you just don't mess around with, unless you want Mr. Linacre's apocalyptic vision to come true.

With Britain out of the box, that leaves only the United States, Liberia and Burma as non-metric countries. The United States made a pass at the metric system with a voluntary conversion act in 1975 but it didn't get very far.

When it comes to the imperial system, which is based upon parts of the body (a foot was roughly the size of an adult's foot, an inch the end joint of the thumb), Britain is the mother country. In 1215, weights and measures were defined by royal decree, and they were spread around the world.



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BUSINESS &
THE ECONOMY

EUROPE

BRIEFLY EUROPE

Drop Pacifism, Bonn Greens Told

BONN — A leader of Germany's environmentalist Greens said Sunday that the party must disavow its pacifist roots if it wants to seize a share in political power in the country.

Josef Fischer, the Greens' co-leader in Parliament, urged a party strategy meeting to shift its foreign-policy focus and acknowledge that military might can sometimes play a constructive role, such as defending "safe areas" in Bosnia.

He said that if it continued to insist on disbanding Germany's armed forces and the North Atlantic Treaty Organization, two planks in the party's platform, it would never be able to win a majority or find a coalition partner with which to govern.

(Reuters)

Turkish Parliament Speaker Quits

ANKARA — The speaker of the Turkish Parliament resigned on Sunday, calling for early general elections and fueling speculation about a challenge to Prime Minister Tansu Ciller from within her own party.

The speaker, Husamettin Cindoruk, an opponent of Mrs. Ciller inside the True Path Party, agreed with most of Turkey's opposition parties when he said in a statement that general elections should be held this year and not be delayed as Mrs. Ciller has proposed.

Turkey last held general elections in 1991. Mrs. Ciller has spent the last two weeks trying to end a political crisis by negotiating a new coalition rather than going to the polls. Her last government collapsed when her Social Democratic allies withdrew their support.

(Reuters)

Cyprus Shows Off Military Forces

NICOSIA — Cyprus staged its largest ever military parade Sunday to mark the 35th anniversary of the divided island's independence from British rule.

The parade, watched by thousands of Greek Cypriots at Nicosia, followed a broadcast anniversary message by President Glafcos Clerides in which he vowed that Cyprus would continue to arm until Turkey withdrew from the northern third of the island it occupied in 1974.

(AP)

Police Station Bombed in Finland

HELSINKI — An explosion rocked a police station in Pietersaari on the west coast of Finland, shattering windows and leaving a small crater but causing no injuries, the STT news agency said Sunday.

The police had no information on the cause of the blast, the second attack on a police station in Finland in just over a month. A car bomb seriously damaged a police station in Helsinki on the night of Aug. 24. Speculation in the press on who might have been responsible focused on rival motorcycle gangs, who have recently had several clashes with policemen.

(Reuters)

Calendar

European Union events scheduled for Monday:

LUXEMBOURG: Foreign ministers meet to discuss situation in Bosnia.

SANTIAGO DE COMPOSTELA, Spain: Fisheries Commissioner Emma Bonino takes part in a seminar on EU fisheries policy.

CAIRO: Energy Commissioner Cristos Papoutsis takes part in a conference on financing energy projects in the Mediterranean region.

PRAGUE: Internal Market Commissioner Mario Monti to meet Prime Minister Vaclav Klaus during an official visit to Prague.

Sources: Agence Europe, AFP.

Cars Torched in Lyon After the Shooting of Bomb Suspect

Compiled by Our Staff From Dispatches

VAULX-EN-VELIN, France — Youths burned cars, broke windows and pelted policemen with stones on Sunday as violence continued in this Lyon suburb after the killing by the police of a resident who was the prime suspect in a series of bombings in France.

The French government maintained draconian security measures, and Justice Minister Jacques Toubon said the killing of the suspect, Khaled Kelkal, on Friday had not ended the guerrilla threat against France.

The police detained 12 people for questioning after nearly 30 vehicles were burned here, 23 overnight and at least 6 more on Sunday afternoon, the police said.

This working-class suburb was the

home of Mr. Kelkal, a 24-year-old Algerian killed Friday by paratroops after a huge manhunt, and of Karim Koussa, an accomplice, who was wounded by the police on Wednesday.

Mr. Kelkal was killed as troops closed in on him at a bus station in a village outside Lyon.

The police say Mr. Kelkal's fingerprints were found on adhesive tape connecting a detonator to a bomb that failed to explode Aug. 26 on a high-speed train track, making him the prime suspect in the six bombings and failed bombings that have killed seven people and wounded hundreds since July 25.

Interior Minister Jean-Louis Debré

said over the weekend that there was

evidence linking Mr. Kelkal and Mr.

Koussa to at least one other bombing

and the assassination July 11 of a Muslim holy man, Abdelkader Sahrroui, in his Paris mosque. Mr. Sahrroui was a co-founder of Algeria's banned Muslim fundamentalist movement, the Islamic Salvation Front.

Authorities say they suspect a connection between the bombings and an insurgency by Islamic militants in Algeria, a former French colony.

In Paris, an anti-terrorism judge, Laurence Le Vert, charged two of three suspects arrested Wednesday as Mr. Kelkal fled a forest hideout.

The two, Abdelkader Bouhadjar, 28, and Abdelkader Maameri, 25, were charged with association with a terrorist enterprise. An expert was appointed to decide whether Mr. Koussa, 23, seriously wounded in a gunfight with the police, was in condition to be

transferred to Paris from a Lyon hospital.

Mr. Bouhadjar and Mr. Maameri have told investigators that they supplied Mr. Kelkal and Mr. Koussa with food and other supplies while they were on the run.

Mr. Toubon dismissed hopes that France had ended the guerrilla threat with the arrests and Mr. Kelkal's death.

"We say that we must remain extremely vigilant," he said, "that the threat remains, that we haven't cleared up the nature, the size of the organization, the organizations, that are behind these attacks."

"But on the other hand, there is no doubt that the neutralization of the Kelkal group is a considerable advance," he told Europe 1 radio.

Mr. Toubon said France would continue the security clampdown that has mobilized 22,000 policemen and 2,800 troops.

On Sunday afternoon, groups of youths in Vaulx-en-Velin set garbage cans afire, broke windows of public phone booths and damaged bus stations.

Car burnings and stone throwing are not uncommon around the clusters of housing projects that make up Vaulx-en-Velin, and the police played down Sunday's incidents.

"It's about the double the usual," one officer said.

Authorities, nevertheless, increased the police presence here after the killing of Mr. Kelkal. The police did not intervene in the violence here.

(AP, Reuters)

Under Juppé, Pace of French Reform Appears Stalled

By William Drozdiak
Washington Post Service

PARIS — When Jacques Chirac won the French presidency in May and appointed Alain Juppé, his trusted friend, to head his first government, the circumstances seemed ideal to carry out reforms that both men said were necessary to prepare France for a more competitive world.

During the campaign, Mr. Chirac rallied voters by depicting the "social fracture" dividing the rich from those with no homes or livelihoods. He vowed to create a million jobs within two years, to break the stranglehold of elite technocrats over government and to reduce taxes.

Despite those extravagant promises, Mr. Juppé's governing coalition appeared to possess the clout to impose all necessary measures. The conservative majority had gained control over key political institutions: the presidency, 80 percent of seats in Parliament, all but one of the country's 22 regions and three-quarters of the municipalities.

But nearly five months later, the government's reform campaign seems hopelessly stalled. The momentum of Mr. Chirac's electoral triumph has faded, dissension is mounting in the ruling majority and unions are gearing up for a wave of nationwide strikes in defiance of Mr. Juppé's warning that the government's finances have

reached a state of "national peril."

While nearly all West European countries are suffering from the pangs of downsizing the welfare state, French officials acknowledge that their country seems more reluctant than any other to make necessary sacrifices now to preserve the quality of state services in the future.

The vaunted French quality of life, which includes six weeks of paid vacation, universal health care and subsidized education, has become so expensive that Mr. Juppé says state finances are nothing short of "catastrophic." But French officials say their citizens have come to accept those benefits as birthrights.

"In France we have an unfortunate tendency of taking social matters to the breaking point, so that in the end real changes in the system occur only after

some kind of violent upheaval," said a senior adviser to Mr. Chirac. "This government has been trying to reason with people, but they refuse to listen."

With more than 5 million civil servants and the state involved in more than 40 percent of the economy, economists say that France has the most bloated public sector of any country in Europe — even greater than the former Communist countries in Eastern Europe.

Aides to Mr. Chirac say that the failure to achieve promised reforms reflects the entrenched power of the state sector in France and that perhaps it will take some kind of shock therapy for civil servants and the public to realize that they will have to accept a reduction in their entitlements.

But government critics say that Mr. Juppé should have acted swiftly to enact the most painful parts of his austerity

program, thus taking advantage of the majority's political leverage and the electoral timetable.

"When you have the beginning of a seven-year presidential term, a majority of 400 parliamentary deputies and you don't have to face elections for at least three years, you should seize the opportunity to tackle the tough things," said Michel Rocard, a former prime minister under Mr. Chirac's predecessor, François Mitterrand.

"But they have not done this." Even members of the ruling majority have expressed exasperation with Mr. Juppé's reluctance to take bold reform measures. Ironically, it is a criticism that Mr. Juppé himself directed at Edouard Balladur, the previous prime minister who ran unsuccessfully against Mr. Chirac for the presidency.

"We need a whole package of reforms all in one go," said Alain Madelin, the centrist politician who resigned as finance minister in August after clashing with Mr. Juppé over his slow approach. "It's like the man who told his dog that he would cut his tail bit by bit because cutting the whole tail off would be painful."

Like Mr. Balladur, Mr. Juppé has expressed fears about moving too fast and provoking a social explosion like the 1968

breakdown that nearly undermined the Fifth Republic.

Friends say Mr. Juppé has been badly distracted by controversy over a sweetheart rental deal on city-owned apartments for himself and his family while he was deputy mayor of Paris. The scandal has infuriated much of the voting public and has contributed to a sharp drop in his approval ratings.

Pope Beatifies 109 in Ceremony in St. Peter's

Reuters

VATICAN CITY — Pope John Paul II beatified 64 martyrs from the French Revolution, 45 priests, nuns and faithful killed in the Spanish civil war and a 16th-century Italian in a ceremony in Saint Peter's Square on Sunday.

Among the Spaniards set on the road to sainthood was Anselmo Polanco, a bishop. Nearly 7,000 Catholic priests, monks and nuns were killed during the 1936-39 civil war. The Pope said the French martyrs, among

them Jean-Baptiste Souzy, went calmly to their deaths in the spirit of forgiveness.

Beatification is the penultimate step to sainthood in the Roman Catholic Church, and requires one miracle, attributed to the intercession of the holy person. The beatified, known as Blessed, may be venerated in a limited way. A further miracle is needed before the person can be declared a saint.

The Pope has conducted about 200 beatifications of Spanish civil war victims.

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Lagos General Extends Military Rule 3 Years

By Stephen Buckley
Washington Post Service

LAGOS — General Sani Abacha on Sunday extended military rule by three years, promising that his regime would depart after leading sub-Saharan Africa's most populous nation through democratic reforms that will culminate in presidential elections.

In a taped broadcast to the nation, General Abacha announced a program of reforms that includes lifting a ban on political activities and forming civilian local and state legislatures and a national assembly. He also commuted sentences of about 40 Nigerians accused of plotting to overthrow his government, but provided no details.

But diplomats and political analysts called the reforms superficial and ex-

pressed disappointment over General Abacha's extending his reign for another three years. General Abacha, 53, took power during a coup in November 1993. Critics were especially alarmed he refused to release political detainees and Moshood K.O. Abiola, arrested last year after apparently winning the presidential election in 1993.

They are not going to be "let off the hook" with such a transition program, a diplomat said. "They think they've made bold moves," he said, "but we do not think that at all."

Nigeria fell into political turmoil after the 1993 annulment, which ignited riots and compelled the United States to cancel aid to Nigeria, which has been ruled by the military for all but 10 years since gaining independence from Britain 35 years ago Sunday.

In recent months, General Abacha's regime has come under increasing pressure from foreign governments, which have threatened economic sanctions against the West African nation of more than 100 million people.

General Abacha had received particularly harsh criticism since July, after the arrest of the accused coup plotters, including Oluasegun Obasanjo, a former head of state and the only Nigerian military ruler to voluntarily relinquish power in favor of civilian rule.

The accused plotters were tried in secret by a military tribunal that reportedly handed down a number of death sentences, subject to final review by the Provisional Ruling Council.

Supporters of those arrested in connection with the coup attempt said they

could not take solace in General Abacha's statement.

"He really hasn't told us anything," said Morenike Ransome-Kuti, daughter of Beko Ransome-Kuti, a prominent democracy activist arrested last July and sentenced to life imprisonment for allegedly writing letters defending accused coup plotters. "He hasn't said to what extent he'll commute the sentences," she said. "What this means is that my dad probably won't be released until this regime leaves."

General Abacha said he would not release Mr. Abiola because it was the duty of Nigeria's court system to determine the wealthy businessman's fate. He also rebuked government opponents who have argued that a transition to democracy must address the results of the June 1993 presidential vote.



An injured woman being prepared for evacuation after an explosion occurred in a tax office in the center of Algiers.

18 Killed by Gunmen In Algeria Bus Ambush

Agence France-Press

ALGIERS — A total of 18 people were shot dead and 15 others were hurt Sunday when an armed Muslim fundamentalist group stormed a bus near Laghouat in southern Algeria, security forces announced.

Three small children and a woman were among the dead, the statement said. Most wounded were children.

The bus, owned by the town's public transportation system, was attacked at Rabta as it traveled from Ghisla to Anifus near Aflou, 250 kilometers (150 miles) south of Algiers.

Security forces killed four members of the commando group, the statement said. Public transportation, especially trains, have been a target during the violence that has left

at least 30,000 people dead in three and a half years of conflict between the military-backed regime and Islamic militants. Normally, the vehicles are hijacked, cleared of passengers and burned.

The killings came after newspapers reported Sunday that two people were killed and 12 wounded in two separate car bombings on Saturday.

In a separate incident Saturday, a blast in the heart of Algiers near the central police station killed five people and wounded 10 others, according to newspapers. Officials said the explosion was caused by a gas leak. The official toll was one dead and 11 injured.

Several newspapers suggested that a bomb caused the blast.

JAPAN: Striving for Casual Look

Continued from Page 1

from more relaxed workers. But the apparel industry is talking about a lot of money: If 30 million men each buy a sports jacket, at the equivalent of \$300, an \$80 casual shirt and a \$100 pair of pants, that is more than \$14 billion pumped into the parched economy.

In Japan, the sale of suits already peaked, so all the makers were looking for new concepts to sell, and Casual Friday fit perfectly. The Nihon Keizai Shinbun, Japan's leading financial newspaper, carried five full-page advertisements for "Office Casual New Wave" clothes. The ads included instructions for dressing casually, alerting men to pay attention to style and accessories.

Over at the Prudential Life Insurance Co., the idea of casual day has rapidly taken off. To avoid shocking its Japanese customers, a sign at the front entrance notes: "Today is our casual day. Please forgive our casual clothes. We humbly ask your kind cooperation."

section are greeted with a barrage of marketing hype.

At a Matsuya display immediately in front of the escalator, a sign proclaims: "Friday Look: Let's be more free and let's express our personalities." Another sign says: "Fresh style: something everybody's talking about."

A lot of effort has been devoted to slide shows, lectures and lessons to teach men how to dress casually. The Nihon Keizai Shinbun, Japan's leading financial newspaper, carried five full-page advertisements for "Office Casual New Wave" clothes. The ads included instructions for dressing casually, alerting men to pay attention to style and accessories.

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EU: Bonn Sets Tone

Continued from Page 1

ulating on dates or winners and losers. "In two years you can do a lot," he said, "especially if the economic cycle helps us."

The uncertainty continues to revolve around France, and it persisted despite assurances by Finance Minister Jean Arthuis and the governor of the central bank, Jean-Claude Trichet, that Paris would get its budget deficit within the Maastricht limit of 3 percent of gross domestic product.

With a deficit running at more than 5 percent of GDP, France has some quick work to do. The ministers agreed that the decision on whether to proceed with a single currency, and which countries would participate, would be taken in the first few weeks of 1997, based on economic figures for 1997.

Seeking to stem doubts about their ability to slash the deficit now, French officials for the first time publicly endorsed the idea that countries adopting a single currency should reach a separate understanding to enforce budgetary discipline after 1999.

"Each of us is agreed to reinforce procedures that will guarantee discipline," Mr. Arthuis said.

Mr. Waigel also received clear French support for his view that monetary union must be accompanied by closer political union, including progress in forging common European policies on foreign affairs, security and immigration.

"I cannot imagine that we can act on economic affairs," Mr. Arthuis said, "without taking account of the political considerations."

Even Italian officials, who were incensed two weeks ago when Mr. Waigel publicly ruled them out of contention for a single currency in 1999, were obliged to make a show of unity.

Prime Minister Lamberto Dini said he blamed the dollar's weakness, not Mr. Waigel's comments, for the recent 5 percent drop in the lira. Mr. Dini's deputy finance minister, Rainer Masera, acknowledged that the government's current budget strategy would not qualify Italy for a single currency in 1999.

Holbrooke Cites Rifts In Bosnian Factions

Reuters

SARAJEVO, Bosnia-Herzegovina — The chief American peace negotiator in the Balkans, Assistant Secretary of State Richard C. Holbrooke, said Sunday that differences between Bosnia's warring factions remained very wide, with both sides wanting to stop the fighting but disagreeing on how to do it.

"Every time we talk," Mr. Holbrooke said at his left Belgrade, "each side clarifies its views a little, but while both sides say they would like to stop the fighting, they haven't agreed on how this would be done."

"The distance separating the two sides is very large on all major issues — Sarajevo, Brcko, and the Posavina corridor, Gorazde, as well as the constitutional principles."

The U.S. envoy later held talks with President Franjo Tudjman of Croatia in Zagreb after meeting Bosnian and Serbian leaders in Sarajevo and Belgrade.

He said Croatia had stuck to its tough stance on the rebel Serb-held Eastern Slavonia region, which Zagreb has threatened to seize back by military force.

The farming and oil region adjacent to Serbia is the last area of Croatia held by Serbs and is one of Mr. Tudjman's biggest concerns in the peace talks.

"The efforts on Eastern Slavonia are critical," Mr. Holbrooke said. "The process should be resolved in a peaceful integration of Eastern Slavonia into the republic of Croatia."

He also said it was premature to talk of a cease-fire in Bosnia to end 41 months of war, which has left 200,000 people dead or missing, by government estimates, and had displaced millions.

Mr. Holbrooke's peace drive has brought two breakthroughs in a month. The warring sides agreed in Geneva that Bosnia would be shared 51-49 by Muslim-Croat federation and a Serb entity and they agreed in New York on a constitutional framework for the shared state. He is now pushing for a third breakthrough — a cease-fire around Sarajevo and elsewhere to pave the way for a peace conference and an overall peace settlement.

Mr. Holbrooke later left Croatia for Sofia and planned to revisit Sarajevo on Monday before returning to Belgrade.

Sources in Belgrade said the Bosnian government was insisting on several conditions for accepting a cease-fire.

These included a total lifting of the siege of Sarajevo, road access to its eastern Gorazde enclave and demilitarization of Serb-controlled Banja Luka in the north of the country.

The diplomatic effort has had little impact on the fighting in northwest Bosnia, the main area of battle between the Serb rebels and Bosnian government troops in recent weeks.

The Bosnian Serbs claimed to have retaken some lost ground near Retaski Novi. This could not be independently confirmed, but reported Serb tank and artillery fire in the region.

It also reported firing along the northwest Bosnian confrontation line.

VOTE:

Socialist Victory

Continued from Page 1

hold 135 seats, compared with the Socialists' 72.

The outgoing prime minister, Anibal Cavaco Silva, who handed over the Social Democratic leadership to Mr. Nogueira in February, also saluted the Socialists' success.

"I congratulate the Socialists on their victory," he said. Triumphant Socialist supporters filled Lisbon's main thoroughfare, the Avenida de Liberdade, waving the party's white and red flags and bonking horns.

The victorious party had had little to celebrate since President Mario Soares, a Socialist, was prime minister from 1983 to 1985.

The party, led by Mr. Gu-tierrez, a 46-year-old engineer, is pledged to free market policies, and financial markets had reacted calmly to the possibility of the Social Democrats losing.

Industry leaders were equally sanguine. Pedro Ferraz da Cytta, head of the Portuguese industrialists' association, said in a broadcast interview: "We are not worried. We just want a government as soon as possible."

The abstention rate was 33.17 percent. Almost 9 million Portuguese were entitled to vote and had 13 parties or alliances to choose from in a single round of voting.

(Reuters, AP)

Q&A / Bridging the Economic Gap

Trade With East Asia? This European Is Upbeat

Relations between Asia and Europe have been distant and marred by mutual suspicion. On a visit to Singapore, Sir Leon Brittan, first vice president of the European Commission, the executive arm of the 15-nation European Union, discussed recent developments with Michael Richardson of the International Herald Tribune.

Q. East Asia was very critical in the past of Europe's inward-looking and protectionist policies. Has the situation changed?

A. Dramatically. The enunciation of a very outward-looking strategy by the European Commission, which has been adopted by EU ministers, has made an enormous difference.

The fact that the EU was one of the major players in negotiating the global trade liberalization deal under the Uruguay Round of the General Agreement on Tariffs and Trade also helped. So did Europe's role in reviving and concluding the financial services negotiations when the United States withdrew.

East Asian nations have now invited the member states of the EU to a first-ever meeting at heads-of-government level. It will take place in Bangkok in March next year.

Q. What's important about the summit?

A. It signifies a desire by East Asia

to have an ongoing relationship with Europe of the kind both of us have with the United States. It fills a gap, and I hope it leads to significantly closer ties. We'll be talking about political and economic issues, and mutual cooperation.

Q. What are the major remaining economic problems between the EU and East Asia?

A. I am anxious that European business should take a closer interest in East Asia and its dynamic economic growth. The large companies are looking after themselves. But there are many medium-size firms in Europe that could do very worthwhile business here.

We want to encourage that. This is a part of the world where we have to be for our own good to generate exports and jobs for Europe. That is a point which is now very much understood in Europe.

We also want to encourage a greater awareness of Europe in Asia and persuade those who need persuasion that we should move onto an active and liberalizing agenda for the first ministerial meeting of the World Trade Organization, which will take place in Singapore in December 1996.

We need to establish clear and liberal agreed rules on investment. If the European and Asian heads who meet

in Bangkok could agree on the need for further liberalization in world trade, it would be a very useful development.

Q. Is Europe still worried about a competitive threat from East Asia?

A. There is always competition. The world doesn't owe us a living. At the moment, the hottest competition is from East Asia. There are those who complain that it is based on lower costs, particularly labor costs.

The EU has made it clear officially that it does not regard this as a cause of Europe's competitive problems at all, and that we have to look instead at aspects of Europe's own economy.

Q. Nonetheless, the EU wants to discuss the connection between trade and social issues, including wage levels, with developing and newly industrialized countries in East Asia. Isn't there resistance to that?

A. There is a lot of misunderstanding. We should make it clear that this is not, as far as we are concerned, any form of neoprotectionism. We do not regard countries that have the benefit of cheap labor as being engaged in unfair trading.

What we are talking about here is not something in which we seek an economic advantage. Rather, we see it as a question of human rights — that

there should not be exploitation of child labor, prison labor or things of that kind as well as the recognition of the right of people to unite in discussing their own labor conditions.

If we make it clear that we do not seek to block exports by countries using cheap labor and that any rules should be agreed on a multilateral basis and applied to all, then I think we can allay some of the misunderstanding and have a serious discussion.

Q. China is emerging as an East Asian economic giant and potential world power. Has it met the conditions for entry into the World Trade Organization?

A. China has shown some flexibility but hasn't gone sufficiently far, in my view, yet. The WTO rules are the basis for trading between members and therefore they have to be accepted by China.

But we recognize that it may not be able to comply with them immediately. So the EU would be happy to agree with China's entry on the basis that all the rules are accepted in principle, but that those which they can't accept right away should be accepted over a defined period of time as part of the agreement for their admission.

Beijing has not fully committed itself to such an approach.

Silhouette of Simpson Jurors: Serious (and Strong)

By Lorraine Adams
Washington Post Service

LOS ANGELES — At the dramatic terminus of the O.J. Simpson murder trial sit 12 unidentified people. For nine sequestered months the camera has been on everyone but them. But this week, as deliberations finally begin, these jurors — about whom so little is known — are the only ones who matter.

There are 10 women on the 12-member panel, and all but two of those women are black. Only 3 of the 10 are married, the rest divorced or single. Most have usually appeared in court in heels, dresses and blazers, hair done in a short bouffant style. They rarely return the gaze of courtroom observers. They look serious and strong, and some of those who know them best — their former colleagues on the jury — say that's exactly what they are.

Since early last month, Judge Lance A. Ito has referred to the

jurors' fatigue, their readiness to snap, but in the courtroom they mainly appear unflappable.

What can be known about the people who will decide whether Mr. Simpson is guilty of the murders of his former wife, Nicole Brown Simpson, and Ronald L. Goldman comes from jury selection transcripts and questionnaires, records from Judge Ito's jury investigations, and interviews with the few former jurors who are willing to discuss them. Their identities are being kept secret to protect them and their families.

Those former jurors say they expect a meticulous sifting of the evidence by their former colleagues. They predict that the foreman — who was chosen in just four minutes late Friday afternoon — will be fair, respected and will not tolerate foolishness. They foresee long deliberations — at least a week, maybe a lot longer. And they suppose racial tensions on the mostly black panel have ebbed.

"They're not going to go back

there and say, 'The glove didn't fit. Let's call it a day and go home,'" said a former juror, Francine Florio-Buente. "If somebody comes up with one-sided evidence and they didn't hear anything beside that, they're going to say, 'Wait a minute here, what else?'"

The former jurors describe a group of "regular folks" — postal workers, county employees, an insurance claims adjuster. The two men — one Hispanic, the other black — are a truck driver and the phone company salesman. Only two have college degrees.

The transcripts show people who said little, and revealed less, during intensive voir dire questioning. But they were not naive about the expectations of the criminal justice system. The presumption of innocence, the right not to testify — these were familiar concepts to many of them. Several had served on previous juries. One, a 60-year-old white woman, had served on five juries. In one murder

case, she had been the sole hold-out for acquittal. Her adamancy brought the others around to her side.

The former jurors say they believe that some on the panel are leaning toward conviction, some toward acquittal. But a large majority are what former jurors call "open."

In a trial where jurors have spent more time out of the courtroom than in it, they are united, suitably enough, by a hobby that prizes patience and produces calm — crocheting. Even one of the men has learned. Their leader, a 50-year-old black, divorced county employee, who taught the other jurors to crochet, is best known for her saying, "This too shall pass."

"All the people on that jury respect Juror No. 1," said another former juror, Tracy Kennedy, a 52-year-old white Amtrak employee. "They respect her not only for the way she thinks, but the way she deals with problems. People would come to her with problems. She was restrained, she was careful. She doesn't shoot off her mouth. She's intelligent, she's articulate, she has a good bead on her shoulders. I think she'll be fair."

The identity of the foreman selected Friday by jurors has not been announced. But former jurors said they thought Juror No. 1 was most likely to be chosen.

Another former juror, Michael Knox, called her a "moth-

er figure" to the jury. The younger women on the panel — a 22-year-old white insurance adjuster, a 28-year-old black postal worker and a 24-year-old black city hospital worker — will most likely follow where she leads, he believes.

Her jury questionnaire shows she lives in South Central, a predominantly black working class neighborhood of Los Angeles that was the site of the 1992 riots after the acquittal of white police officers in the beating of Rodney G. King. She has never been a victim of a crime. She attended college for two years. Asked how serious she felt racial discrimination was in Southern California, she wrote, "A somewhat serious problem."

Asked how she had felt about Mrs. Simpson, she answered, "I had no personal opinion other than I hate she died such a brutal death."

Asked how she felt when she learned Mr. Simpson was a suspect, she wrote, "Stressful — sick feeling."

Juror No. 1 also said that before she became a juror she had listened to news reports of Mrs. Simpson's frantic "911" emergency call to the police, which was played again this week during closing arguments. She knew, too, of Mr. Simpson's conviction for domestic violence in 1989.

This is a jury keenly aware of its burden. Its members know they will have to defend their verdict, or lack of one, when they are released.

BORDER: Homeless Palestinians

Continued from Page 1

threat. In the Arab world, where tens of thousands of workers each year seek jobs abroad, even the mass exodus that Colonel Gadhafi appears to have in mind is not altogether unusual.

Saudi Arabia evicted as many as 800,000 Yemeni workers in 1990 to punish Yemen for supporting Iraq's invasion of Kuwait. And Kuwait did the same thing to nearly half a million Palestinian workers after the Gulf War to punish Mr. Arafat and the PLO for taking the wrong side.

Beyond threatening to expel all of the 30,000 Palestinians now working in Libya, Colonel Gadhafi has already evicted more than 7,000 Egyptian workers and has begun an effort that Sudanese officials say will result in the ouster of some 300,000 Sudanese workers by the end of the year.

But the Palestinians, many of them teachers, engineers and other skilled professionals, cannot count on returning to any certain home.

And the tentative way in

which Egypt, Jordan and Israel have responded to the situation has done much to underscore the Libyan leader's point that the withdrawal of Israeli authority from Gaza and most of the West Bank should come as little comfort to the 3.5 million Palestinians who live in other Arab lands.

Among the Palestinians already deported by Libya, only those who came there from Gaza — thus with Israeli-issued permits — have managed to re-enter that zone, now controlled by the Palestinian Authority, with relative ease.

Because Egypt has been unwilling to challenge the strict Israeli policy, as many as 300 of the Palestinians have been left stranded for as long as three weeks at the makeshift camp in the no man's land without adequate food, water and shelter.

Those without the permit who have escaped have done so only through assurances from Jordan that have allowed them to enter Gaza along an indirect route that takes them across Egypt, then by boat to the Jordanian port of Aqaba and finally across the Allenby Bridge and into the West Bank.



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INTERNATIONAL

Jewish Settlers Block Jordan Link



Israeli police officers removing Jewish settlers from the Jordan Valley during a demonstration on Sunday.

Compiled by Our Staff From Dispatches

JERICHO—More than 100 Jewish settlers opposed to wider Palestinian self-rule in the West Bank blocked entry to the Allenby Bridge crossing to Jordan on Sunday, saying they had been betrayed by Prime Minister Yitzhak Rabin.

Previously, residents of Israel's Jordan Valley farming settlements had largely avoided protests, reassured by Mr. Rabin that the area would remain Israel's security belt along the River Jordan.

David Levy, head of the valley's local Jewish council, said that all that had changed with the signing on Thursday of an Israel-PLO accord extending to the West Bank the self-rule that began in Gaza and Jericho in May 1994.

"No longer, according to the agreement," Mr. Levy said.

Several hundred travelers were delayed and traffic across the bridge stopped for most of the morning until the Israeli police dragged settlers away from the main gate leading to the bridge just outside Palestinian-ruled Jericho.

The Israeli foreign minister,

Shimon Peres, said in remarks broadcast on Sunday that Israel would begin its military redeployment in the West Bank in 12 Palestinian villages.

"The evacuation that will start is of the Civil Administration in 12 villages, something no Israeli was aware of and no Israeli will miss," he told Israel Army Radio in the United States, without naming the villages.

The Civil Administration is Israel's official name for its military occupation authority in the West Bank.

"Then we will start from north to south and I am afraid of the difficulties in implementation — but I am even more afraid of what would happen if we didn't do it," Mr. Peres said.

There were three other developments Sunday:

• Oman said Sunday that it had forged official trade ties with Israel, the first Gulf Arab state to do so.

The official Omani news agency reported from New York that the Minister of State for Foreign Affairs, Youssef Bin Alawi Bin Abdullah, met

Mr. Peres on Saturday night on the sidelines of the U.N. General Assembly.

It said the two men agreed to exchange trade representatives as part of efforts to boost cooperation.

• Israel extended the closure of its borders in the West Bank and Gaza Strip an extra five days. Israel sealed the Gaza Strip Sept. 24 and the West Bank on Wednesday. It had been scheduled to reopen the borders on Sunday, but the extension was extended until Friday, the army said, giving no explanation.

Israel reportedly fears attacks by Palestinian militants opposed to the agreement on greater Palestinian autonomy.

• Israel's Supreme Court on Sunday ordered a group of Palestinian women prisoners held for at least another 24 hours despite the government's agreement to release them as part of the accord.

• As part of the West Bank autonomy agreement, Israel

agreed to release 2,100 of the 5,000 Palestinian prisoners it holds, as well as all 28 women prisoners. But rightist critics

have argued that some women were convicted of killings, while the agreement also states that detainees imprisoned for causing death will not be released. (Reuters, AP, AFP)

Iraq Still Lags, UN Official Says

BAGHDAD—The UN official in charge of verifying the elimination of Iraq's weapons of mass destruction left here Sunday saying he was still not certain all of its banned missiles and biological and chemical warheads had been scrapped.

The official, Rolf Ekus, predicted that Iraq would be criticized when the UN Security Council discussed the country's progress in implementing UN resolutions demanding that it eliminate its medium-range missiles and its nuclear, biological and chemical arms.

He said Iraq's leadership had vowed to cooperate, but assailed the lower levels of the bureaucracy for "continued delay."

Report on Somalia Questions Powell

By Eric Schmitt
New York Times Service

WASHINGTON—A Senate report on the ill-fated army commando raid during the United Nations peacekeeping mission in Somalia two years ago criticizes a decision supported by General Colin Powell's staff and, apparently, by the general himself when he was chairman of the Joint Chiefs of Staff.

The decision was to reject a request to send AC-130 gunships requested by commanders in Somalia. The report says that the presence of the gunships in Mogadishu, the Somali capital, might have helped prevent the deaths of 18 U.S. soldiers in the raid.

Les Aspin was ousted as defense secretary in January 1994 in large part because of the failed raid and his decision not to send tanks to Somalia, which some officers believed might have reduced casualties.

But the report, made public last Friday by the Senate Armed Services Committee, suggests that the decision against sending gunships may have been just as significant, and was one in which General Powell played a main role and Mr. Aspin little or none.

The AC-130 bristles with cannon and other guns that can put thousands of rounds of deadly fire on a target in night

or day operations. U.S. commanders in Somalia said the AC-130, used on earlier missions there, was one of the few U.S. weapons feared by the Somali militias.

General Powell told Senate investigators that he did not recall playing a role in deciding whether to redeploy the AC-130s. He did say that earlier use of the gunships had "wrecked a few buildings" and produced what he said "wasn't the greatest imagery on CNN."

But two four-star generals recalled talking to General Powell specifically about the request for gunships.

General Joseph Hoar, head of the U.S. Central Command, remembered a three-way phone call with General Powell and General Wayne Downing, head of the U.S. Special Forces Command, in which General Hoar opposed sending the aircraft.

General Downing said: "I advised that I would like to have the AC-130s. General Powell advised that we needed to keep the numbers down."

U.S. troops entered the country in December 1992 to help relieve famine, but the Americans and other foreign troops in the UN force that took over the mission soon became embroiled in the power struggles of General Mohammed Farrah Aidid, a Somali militia commander.

Officer in Jail Plotted Overthrow in Comoros

The Associated Press

MORONI, Comoros—A military officer in prison until three days ago portrayed himself Sunday as the de facto leader of the Indian Ocean republic of Comoros.

Captain Combo Ayoubu, imprisoned after a failed 1992 coup attempt, said in an interview on the ocean-side terrace of the presidential palace that he had plotted from prison the takeover last Thursday led by the French mercenary Bob Denard.

Moroni, the capital, was calm Sunday. A few rebel soldiers guarded key installations, such as the state-radio station, site of the only major clash of the coup.

Mr. Denard and more than a dozen other foreign mercenaries involved in the coup had finished their job and would play no role in the new government, Mr. Ayoubu said.

He indicated that most of the mercenaries would be asked to leave, but said Mr. Denard, 66, was a Comorian citizen entitled to live in the country. Mr. Ayoubu is a longtime associate of Mr. Denard's.

Mr. Ayoubu heads a "Military Transition Committee" that accuses ousted President Said Mohammed Djohar of spreading corruption and acting against the constitution. He said Mr. Djohar was in custody and unhurt, and would probably stand trial.

"We are going to change this country," said Mr. Ayoubu, 42, who wore a camouflage shirt, green military pants and black boots. "We got support from the army for a quick change."

On Saturday, the overthrown government and an opposition party pleaded for international help in driving out the mercenaries. France has refused to intervene militarily, although it

has put its 4,000 troops in the region on full alert.

France cut its aid to Comoros, one of the world's poorest nations. It was joined by the United States, South Africa, the United Nations and the Organization of African Unity in condemning the coup and calling for a return to constitutional order.

An airplane from the United Arab Emirates evacuated the last European visitors from the islands and took them to Dubai, where they awaited flights home to France or Italy, leaving Comoros empty of the tourists it depends on for survival.

Mr. Denard, who ruled Comoros from 1978 to 1989, was forced out by French troops after the assassination of President Ahmed Abdallah. Since 1961, Mr. Denard has been involved in uprisings in the Belgian Congo, Nigeria, Angola, Rhodesia, Iran and Yemen.

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Storm Weathered

After a shaky summer, America's relations with China are getting back on track. Last week Beijing backed off from its plans to sell nuclear reactors to Iran, a deal that carried serious proliferation risks. A little earlier, China returned its ambassador to Washington after a long protest absence and approved the nomination of former Senator James Sasser to be America's next ambassador in Beijing. Agreement has not yet been reached on a summit meeting between Presidents Bill Clinton and Jiang Zemin but is expected soon.

The euphoria that once characterized U.S.-Chinese relations is not likely to return soon. Too much divides the two countries, on human rights, proliferation, trade and other issues. But, given China's strategic and economic significance, it would be a calamity for Washington and Beijing to become adversaries again. The Clinton administration managed the crisis skillfully, with Secretary of State Warren Christopher leading the way.

The quarrel erupted last spring after the administration, bowing to congressional pressure, issued a visa to Taiwan's president, Lee Teng-hui, so that he could visit Cornell University, his alma mater. But the administration resisted Beijing's contentions that the visa was the only issue between the two countries and that the United States was clearly at fault.

The roots of recent tensions go back to China's crushing of its democracy movement at Tiananmen Square, its sales of missiles and other advanced weapons in violation of understandings with the United States, and its offensive trade practices regarding prison labor and copyright piracy. For the past year or more, these problems have been aggravated by maneuvering in Beijing and

contesting the death of Deng Xiaoping. On Taiwan, the original joint communiqué and accompanying American legislation governing this issue do not clearly preclude private visits by top Taiwanese officials. Thus the administration was right to hold its ground on Taiwan, neither apologizing nor promising not to issue a repeat visa to Mr. Lee.

Instead, Washington again acknowledged that the issue was a sensitive one for China and affirmed that America's policy as embodied in the joint communiqué remains unchanged. China, realizing that it had pushed things to a dangerous brink, stepped back. In return, Beijing hopes that Mr. Jiang will be invited for a state visit to Washington. The administration understands, however, that what is needed now is not pomp and ceremony but working talks.

These talks need to deal with reports of recent Chinese missile sales to Pakistan and to review enforcement of recent agreements on copyright and prison labor. The United States must also convey its concern over menacing Chinese military exercises in the South China Sea and near Taiwan.

The administration should also continue to speak out in support of the human rights of Chinese citizens, as First Lady Hillary Rodham Clinton did at last month's Beijing women's conference. In the past, China suggested that if human rights discussions were not linked to threats of retaliatory sanctions, China might pay them more heed.

Relations between Washington and Beijing are still delicate. The Clinton administration managed to stabilize them without yielding on important principles — not a simple piece of diplomacy. —THE NEW YORK TIMES.

Serious Foreign Policy

It was a better week than usual for American foreign policy, and the administration put on a full-court public relations press to advertise this to Washington (and the world) and to paint the picture of a formidably competent foreign policy president at the helm. It was predictable overstatement, but you can't blame the administration for trying, given that the president's record in this department has not been so exemplary and his general standing so high that he could afford to let the opportunity pass.

When things of the world sag, presidents tend to sigh deeply and point to the iron constrictions of history and culture. When things pick up, they discern the magical possibilities of the human hand — their own. Thus does President Bill Clinton now cheerfully report that "America's leadership" is indispensable in this period of post-Cold War transition.

The fact is that there has been some good news. Part of it is because the administration, after years of dithering, finally applied force and diplomacy to exploit a Bosnian opening that now has a fair chance of producing a political settlement before the onset of another harsh Balkan winter. The latest phase of Middle East negotiations happened to come to fruition at the same time, with the United States able to claim a helpful mediator's credit.

The United States held steady when

the Chinese overreacted on the sensitive issue of Taiwan, and the Chinese seem to be easing off. Meanwhile, although apparently for their own reasons, the Chinese at least delayed a nuclear reactor sale to Iran that Washington had protested, and they are resuming normal diplomatic contacts.

The administration also has held steady in respect to Russia in the Balkans, and the Russians, having had a peace-keeping place offered to them, may now be adjusting to the new American assertiveness in that region.

All these items, of course, come with their caveats. Bosnia is always only one bomb's burst away from a spike of crisis. No White House celebration can make the slogging easier in the Middle East. The United States is not yet near coming to terms with the larger role being claimed by a growing, pushier China. On the key issue of NATO expansion, Washington has far to go to reconcile its traditional interests in Europe and its revised interests in a reborn Russia.

To be respectful of the dimensions of these and other international problems, however, is not to say that they cannot be effectively addressed. The public, or the political public, wants not so much final results as an earnest application of competence and seriousness. This is what the Clinton administration has been trying to deliver recently, with some success. —THE WASHINGTON POST.

Playing With the Index

Senator Daniel Patrick Moynihan of New York believes he has uncovered a politician's dream: huge spending cuts and tax increases that are too technical to understand or much notice. He proposes to adjust downward the government's measure of inflation. In one stroke, he could save the U.S. Treasury about \$300 billion in inflation-adjusted payments over seven years — enough to replace the Republicans' Medicaid cuts without breaking a sweat. The idea is promising, but Mr. Moynihan's rush to grab these potentially large savings is premature.

The government measures inflation by calculating changes in the Consumer Price Index — the cost of a fixed bundle of consumer goods. The inflation measure is used to adjust government outlays and revenues. For example, Social Security benefits are raised so that beneficiaries are insulated from rising prices. Tax brackets are also raised so that taxpayers are not shoved into higher brackets merely because their incomes kept pace with prices. The seductiveness of Mr. Moynihan's suggestion is that few "victims" will know if a stealthy technical correction takes a bite out of money before it reaches their wallets.

A panel of distinguished economists, appointed by Mr. Moynihan's Finance

Committee, testified last week that the CPI overstates inflation by around 1 percentage point, and perhaps by as much as 2 points, a year. The inflation measure understates how much consumers substitute low-priced goods for goods whose price is rising, how much price increases are due to increased quality of consumer items and the extent to which consumers shop at discount outlets. Yet the staff at the Bureau of Labor Statistics, which computes the CPI, already knows about the potential biases and is updating its procedures. There are serious disputes about how to correct the CPI, and many experts believe that measurement error is tiny, perhaps less than 0.2 percent.

Some in Congress want to leave the price index alone but give retirees and taxpayers less than full adjustment for inflation. The danger is that poor families could find their pension benefits falling behind and their tax payments racing ahead of inflation.

Congress might find the prospect of saving hundreds of billions irresistible, but it would be better to let the bureau follow professional standards. That will not be the shortest route to deficit reduction, but it will avoid bending government statistics to political whim. —THE NEW YORK TIMES.

That Old Russian Question Is as Topical as Ever

By William Pfaff

MOSCOW — Conversations with Russian intellectuals, concerned to discuss their country's past and future, leave this writer convinced that the inner landscape of Russia today, after communism's collapse and the disintegration of the Soviet Union, is more fearful than the outer landscape of economics, politics, elections and geopolitics.

There is very deep pessimism, but also there seems to be apathy, or resignation, in anticipation of still more catastrophic events as consequence — but also eventual resolution — of Russia's crisis.

The country now is said to be cut off from its moral traditions, its ethical identity, but also to lack a coherent notion or program of action for what it should become. There is profound dissatisfaction not only with the condition of the nation but with the nation itself. Politics is seen as mere squabble among power-seekers.

Russia's progress has always had to be imported from the West, it is said. There has never been confidence in Russia's own civilization, so that successive generations of the Russian elite, from Peter the Great to Mikhail Gorbachev and Boris Yeltsin, have tried to make Russia a part of the West, even though the mass of the Russian population had, and has, virtually no connection with the West, or conception of the real Western way of life.

The Russians' belief in themselves and their destiny has tended to be apocalyptic,

as bearers of some special and redemptive spirituality which after much suffering will save all the world — Moscow the "Third Rome" (after Rome itself, and Constantinople), the final center of Christianity, awaiting the Second Coming of the Messiah.

Yet there is deep resentment of what imitation of the West has made of Russia. Today the Western model is seen as having bestowed upon Russia poverty, crime, exploitation, pillaged national resources, personal anxiety and suffering, lost living standards, national humiliation.

Nearly half the working population now must work at two jobs (declared and undeclared) in order to survive. Two-thirds of the public would, if they could, go back to communism, the polls indicate.

"They long for that," an eminent sociologist says.

A philosopher argues that the country has never had a clear notion of basic political conceptions. Freedom, individualism, rights have not been part of the national philosophical dialogue.

Philosophy itself was not professed and taught in Russia until the 19th century. The great issues of national life have been debated in spiritual terms or in literature, but not in the logical categories that translate into political programs and construc-

tive political action. The army, for example, in new legislation on national security, is charged to defend not only Russia's frontiers and territory but Russia's spirituality, its soul.

The country's past traumas are connected with its progress — Tatar rule, Ivan IV's rule ("Ivan the Terrible"), the "time of troubles" which followed the reign of his successor, Boris Godunov, with foreign intervention and Poland's taking of Moscow; the 1917 revolution, the civil war, the "Great Patriotic War" (World War II). The inference drawn is that Russia today experiences another time of troubles, which will grow worse before they end.

Only after that, it is implied, can times improve. Russians, it is said, are patient in their suffering, but accumulate enormous energy while they wait, which eventually bursts out in a convulsion of action. "Everything is stable in Russia," they say, "yet it stands at the edge of an abyss."

Russians, today, after the breakup not only of the U.S.S.R. but of the Russian empire that Soviet rule had consolidated and extended, are alone as a people for the first time since expansion began in the 16th century. Eighty percent of the population now is ethnically Russian. There no longer is a "Muslim threat" from within the empire.

Nonetheless there is political pressure for "reintegrating" the component states of the old U.S.S.R. A scenario commonly

presented for what could follow a nationalist-Communist victory in December's parliamentary elections is (1) impeachment of Boris Yeltsin, (2) revision of the constitution, (3) re-nationalization of crucial areas of industry, and (4) "reintegration" of the old U.S.S.R.

The lack of confidence in Russian civilization stands in striking contrast to other societies which have found themselves at the edge of the West and challenged by the West. Japan and China have gone through grievous troubles in reacting to the Western challenge, but neither has ever doubted the intrinsic and ultimate superiority of its own civilization over that of the "barbarian" West.

That confidence is lacking in Russia. "Other nations live, Russia survives," one of those in my conversations said. Perhaps, he added, that is because Russia is already part of the West by being Christian. It has never been able to conceive of itself as completely separate. Yet it is separate because it has been the vanguard of the West in Asia; it is irrevocably Asian by geography and origin as well as Western.

This debate today is Russia's oldest, debate over the nation's identity and its relationship with the West. Elections, politics, privatization are incidental to this, the crucial problem for Russians, and crucial for the West as well.

International Herald Tribune.
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An Activist U.S. Force in Bosnia, Congress and NATO Willing

By Jim Hoagland

WASHINGTON — American troops will go into Bosnia to help level the battlefield for the outgunned Bosnian army. They will not simply police cease-fire lines or practice the passive peacekeeping procedures of neutrality preached by the United Nations. The Americans will be there to take charge, not to take grief.

This proposal is being massaged into life at the Pentagon for sale to the White House and then to Congress. If Richard Holbrooke can pull off the Bosnian peace accord he pursues, when unveiled it will stir new controversy in the most important policy debate on the use of American force abroad since the Gulf war.

Bob Dole is attacking the Clinton administration for not thinking through the major military commitment it is about to propose. But at the Pentagon, Defense Secretary William Perry and Joint Chiefs Chairman General John Shalikashvili are deep into contingency planning for an American contribution to a NATO expeditionary force.

Bosnians in a better battlefield position, a significant departure from traditional peacekeeping strategy. The idea has serious moral, tactical and political appeal. Mr. Perry feels (rightly) that the Bosnians have been the victims of aggression by Serbia, as well as of a rebellion by Bosnia's own Serbs. He doubts that there can be enduring stability (or, I sense, much justice) without a cease-fire that gives the Bosnians a chance to upgrade their forces. And while he did not mention it in my interview with him, the administration would hunt Mr. Dole's championing of the Bosnian underdogs by this approach.

There are of course significant risks in putting a large and activist U.S. force into the immediate aftermath of a nasty ethnic conflict. Success in this adventure will require expert and steady crisis management by an administration that has at best mixed success in that area. The coming debate has to sort out such dangers.

But Mr. Perry and the Pentagon seem to have learned from the earlier mistakes of policy on Bosnia, using these lessons to shape future policy rather than being guided by haphazard analogies such as Vietnam, Munich or Lebanon.

This realism helps explain the success of the September bombing campaign that got the Serbs to lift the siege of Sarajevo and come

to the peace table, despite predictions from Colin Powell and other analysts to the contrary. Stung by a recent reference in this column to the Pentagon's long-standing opposition to bombing the Serbs, Mr. Perry traced for me his successful yearlong effort to dispel Powellism (my word, not his) in the Joint Chiefs and in NATO. The roughly 3,500 NATO bombing sorties (two-thirds of them by American warplanes) "destroyed essentially every target we went after" (a total of about 100) with no minimal Serbian civilian damage, he asserted.

"The United States and NATO made the wrong judgment more than three years ago in the decision to not involve NATO in a fundamental way in Bosnia," Mr. Perry continued in our conversation. "The UN force that went in there was in under flawed assumptions. There was no peace in keep and ... it was too big and complex an operation for the UN's capabilities ... The decision not to send a NATO force in the first place, and the decision then to send in a UN force, was the wrong decision."

The Serbs "overplayed their hand in Srebrenica" this summer, causing NATO members to accept Mr. Perry's plan for "a massive air campaign" that would not be limited by the United Nations' restrictive rules. The "coincidence" (his word, not mine) of a Croatian-Bosnian blitzkrieg against the Serbs at an exceptional strategic disadvantage "and caused them at last to bend a knee to NATO, even though the war is not over."

American command and control of the proposed allied peace force is a U.S. prerequisite for participating in it. When I mentioned a little-noted report that General Shalikashvili had said the American contingent could probably "arm and train the Bosnian government to defend itself" by the end of 1996 and then leave, Mr. Perry was cautious but clear:

"Before the NATO force leaves, we would expect to see some stability in the country. One of the requirements for stability would be a reasonable correlation of forces ... To get to that stability, there has to be some improvement in the Bosnian government's military forces ... We would like to have some confidence that we have left a reasonably stable situation behind."

Mr. Perry is wise to tread carefully into the mine fields that lie ahead for this concept on Capitol Hill and in NATO councils. The sentiment is right, but overcoming the dangers that leveling a battlefield poses for American forces will be a Herculean task.

The Washington Post.

Ob well, maybe asking for a little truth here is too much. This war from the beginning has been built on lies and delusions. Why should it end any differently?

The New York Times.

In Plain English, We're Talking About Partition

By Thomas L. Friedman

NEW YORK — It was late Tuesday night and I was sound asleep in my hotel room in New York when the phone rang. An aide to Richard Holbrooke was on the line. He said he had read the early edition of Wednesday's New York Times and objected to my column, because it kept referring to Mr. Holbrooke's peace plan for Bosnia as a "partition plan."

He wanted me to call The New York Times and change my column for the second edition. After suggesting that he was completely out of his mind, I hung up and went back to sleep, certain that it was all a dream. It was not.

That morning, after I inquired at the State Department, the aide sent me a heartfelt and professional apology for his midnight madness. As for Mr. Holbrooke, he claimed he had "absolutely nothing" to do with it.

True or not, he has been running such a relentless media spin campaign to highlight his role in the Balkan peace efforts that he doesn't need to instruct his aides what to do.

But then again, if Mr. Holbrooke were not telling the truth he would not be alone. There is a lot of fibbing going on here, and it begins with the P-word: partition.

The peace plan that the United States has been nurturing with the Serbs, Muslims and Croats maintains the diplomatic fiction that Bosnia will remain what President Bill Clinton called "a single internationally recognized state," with a yet to be defined collective presidency and institutions.

But under this skimpy umbrella, two separate entities will be created: the Serbian Republic, in the Serbian-held territories, and the Federation of Bosnia-Herzegovina, in the Muslim-Croatian areas. Each of these entities will have its own president, constitution, parliament and the right to affiliate with its neighbors.

That is partition. And there is nothing wrong with that. It is the least bad solution today. The reason Mr. Holbrooke doesn't want to call it that is because it would mean that the administration was abandoning its long-held objective of maintaining Bosnia as a single, sovereign multiethnic state, run by the Sarajevo government now dominated by the Muslims.

But that principle is being abandoned. The reason the Serbs and Croats so quickly accepted Mr. Holbrooke's plan was because he was giving them international endorsement for the slices of Bosnia they wanted and already had. And the reason the Muslims have been on the offensive lately is because they fear that partition is coming and want a bigger slice before the cease-fire.

You always get in trouble when you don't call something by its real name. By denying that this is partition, and by suggesting that the United States is still ready to put its military and diplomatic weight behind knitting Bosnia into a single state, Washington is only raising more

unrealistic expectations among the Muslims. The United States used force in Bosnia to slow the slaughter and to try to ensure a peace that would give each party a slice of territory. It was not ready to use force to rebuild a multiethnic, unified Bosnia, because it cannot be built by force and the American public won't bear the cost of trying.

It is a worthy goal, but one that can only evolve out of a partition that leaves each party feeling relatively secure, with some land to call its own. Only then might they start to reach out to each other and find ways to cooperate and affiliate.

America must be honest with the Muslims about this — otherwise they will again make the fatal mistake of believing what it says.

But even protecting the Muslims' slice of a partition may not be easy. Bob Dole has told the White House that it was an error to assume that "Congress will approve administration plans to send thousands of Americans into harm's way to enforce a settlement" in Bosnia.

Thanks, Bob. You egged on the administration to use military force to help the Muslims, and now you want to deprive the administration of the troops it may need to guarantee even a rump Muslim entity.

Ob well, maybe asking for a little truth here is too much. This war from the beginning has been built on lies and delusions. Why should it end any differently?

The New York Times.

Shouldn't the American Solution Be Multiethnic?

By Stephen S. Rosenfeld

WASHINGTON — A far-reaching experiment in ethnic diplomacy has found its way to the center of American foreign policy. Practically on the same day last week you could learn the latest details of how the United States is treating two of the hottest hot spots by playing to their ethnic constituencies. Except that it is doing so in precisely opposite ways.

In the Arab-Israeli dispute, it is helping to separate peoples who were forcibly joined by military occupation. In Bosnia, it is striving to join peoples who were forcibly separated by war.

In the Middle East the United States is going with an insistent local preference on both sides of the ethnic divide and moving toward a relationship as skintight as Arab-Israeli circumstances permit. But in Bosnia it is resisting local preference on two of the three sides (Serbian and Croatian) and imposing common institutional structures in an effort to make two, multiethnic Bosnia a single state.

In short, on the ethnic issue Washington is coming and going. Does the difference matter? Is there a right way? Should America not be pursuing some measure of principled or agreed consistency? In particular, should it be setting aside, with only faint inspection, its own imperfect but substantial example of coexistence among its different ethnic groups?

At one level, it is distressing to see the United States lending itself to the raising of walls between Palestinians and Israelis, most conspicuously and literally on the West Bank. This is not the formula for embracing Ameri-

can-type diversity. It is not what most Americans believe in.

But, of course, it is no less distressing to contemplate the costs, including the terrorism borne by Israelis and the foreign rule borne by Palestinians, of not raising walls. The hope must be that these walls could in time become good fences that make better neighbors of peoples who are destined to live alongside each other, regardless. If this is what "peace" takes, then pragmatism needs no defending.

The case for creating some joint Bosnian political institutions is tougher to make. This policy line fits an American model of federalism — lesser units contributing to a larger national unit. And it begins to address the dark and unwelcome possibility that an expedient partition made now may crack and produce a renewed and perhaps even larger conflict later.

But it is hard to get around the fact that Bosnia never was a state; it was more a substitute for, a refuge from statehood. The currents of Bosnian nationalism appear to run shallow outside the Muslim precincts and the shrunken multiethnic precincts.

Despite recent diplomatic cheer, the question remains whether the good American reason for shaping a single Bosnia — to prevent ratification of a Serbian and Croatian partition made by blood — can finally prevail. In Bosnia, pragmatism may be the enemy of the multiethnic ideal that appeals so deeply to many Americans.

The United States is playing a

powerful hand in both the Middle East and the Balkans in its effort to arrange and guarantee local settlements. It has the diplomatic initiative. Where it is not acting at the direct behest of the local parties, it is acting in the absence of other equally plausible mediators. Still, particularly in the Balkans, a huge American political investment has been made without much consideration that America's own model of multiethnicity does not fit easily with local reality.

Two things help multiethnicity to work in America. One is the economic and physical space that the country makes for most of the population. The other is the long-built-in respect for law and individual rights. For individual rights, you need a democratic culture. The United States has had a sheltered life and a couple of centuries to bring that along. Add in the geographical and social dispersal of American ethnic groups, and you have scant basis for claims of territorial or political consolidation.

Things are different for Arab-Israeli and Balkan peoples. The ethnic populations are concentrated and tend to prefer each other's company. As nations they have lived successful lives and, although Israel deserves an asterisk, fallen short in democratic practice. Wishing it were otherwise doesn't make it so.

An intriguing piece of social evidence remains to be factored in. What about those 5 million Yugoslavs, many of them Bosnians, in multiethnic marriages? Is

that not all the proof a skeptic would need to be convinced that there is a political base for an American-supported multiethnic solution in Bosnia?

I don't pretend to understand this riddle. But the figure does seem to illustrate the tragedy, and the impossibility, of ethnic passions. Disconnection between personal and public/political responses is an old and sad story.

The Washington Post.

Two things help multiethnicity to work in America. One is the economic and physical space that the country makes for most of the population. The other is the long-built-in respect for law and individual rights. For individual rights, you need a democratic culture. The United States has had a sheltered life and a couple of centuries to bring that along. Add in the geographical and social dispersal of American ethnic groups, and you have scant basis for claims of territorial or political consolidation.

The United States is playing a

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Horseless Club

PARIS — Comte de Dion has a scheme to form an "Automobil Club," which shall serve as a sort of Société d'Encouragement for the propagation of the use of horseless carriages. According to the *Figaro*, it will not be only a club, as its name would seem to indicate, but rather a "Société d'Encouragement," of which the headquarters would be in Paris, with branches or correspondents in the principal towns and provinces, like the Jockey Club or the Yacht Club.

1920: Women Voters

PARIS — [The Herald says in an editorial:] Analysis of the women's vote in the recent Maine election and also in various State primary elections establishes important facts, bearing upon the prospect for the great national contest next month, when their power will for the first time be exercised in the choice of a Pres-

ident of the United States. In Maine the total number of women eligible for registration is reported as about 85,000; of these only about 5,000 failed of that duty and some 60,000 voted. Three-fourths of this number cast their ballots for the Republican candidates.

1945: New Indonesia

BATAVIA — Dr. Sukarno, president of the Indonesian republic, said yesterday [Sept. 30] that 70,000,000 natives of the Dutch East Indies, having proclaimed independence from the Netherlands, will fight any attempt to restore Netherlands sovereignty. "Better to live in hell" than be colonized again, read slogans on Batavia's streets. Scrawled on the principal buildings were quotations from the Gettysburg Address and the Monroe Doctrine. Haji Salim, a fiery Nationalist, said: "We wouldn't hesitate even at starting a new world war if the Dutch try to re-establish themselves."

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GERMANY

FIVE YEARS AFTER UNIFICATION



The Brandenburg Gate, at the western end of Berlin's avenue Unter den Linden, was built in the late 18th century by Carl G. Langhans, who modeled it on the Propylaea in Athens. It was damaged in World War II, then restored in 1958. From 1961 to 1989, the Berlin Wall shut off access to the gate to both Eastern and Western Germans; it reopened on December 22, 1989, in the course of East-West Berlin reunification.



AN INTERVIEW WITH CHANCELLOR HELMUT KOHL

Chancellor Kohl, in your 10-point program, which you presented on November 28, 1989, you emphasized that the future architecture of Germany must fit in with the future architecture of Europe as a whole. Has this process been successful?

Yes, but it is not yet complete. Bringing it to a conclusion is one of our primary foreign policy goals.

I have always assured our European friends that the reunited Germany will not go its own way. We have consistently followed this principle.

It is in our own best interest.

the past few years. But unfortunately not only for the good: even though the East-West conflict is indeed a thing of the past, we are once again experiencing military conflicts in Europe — in the Balkans, in the Caucasus — and there are more regional conflicts all over the world than there were in the past.

As far as Europe is concerned, we do not consider the expansion and deepening of the European Union to be mutually exclusive; they have to be coordinated. If you want to achieve an expansion of the European

states with their eyes open cannot help but see that re-development is making enormous strides forward. Renovation, building and improvement work are now going on everywhere.

Hundreds of thousands of people have taken the plunge and set up their own businesses. They have seized the opportunities offered by a social market economy. In the process, over 3 million jobs have been created.

Others have had to cope with difficult structural change locally in their enterprises. Over 2 million people have taken part in training programs.

All this shows that the people in the eastern part of Germany are determined to exploit their new freedoms. Despite all the difficulties that this transformation continues to entail for the individual, there can be no doubt about the fact that the new federal states are and will continue to be a stable and secure location in Europe.

Do you now regard the possibilities of politics differently from, say, 10 years ago?

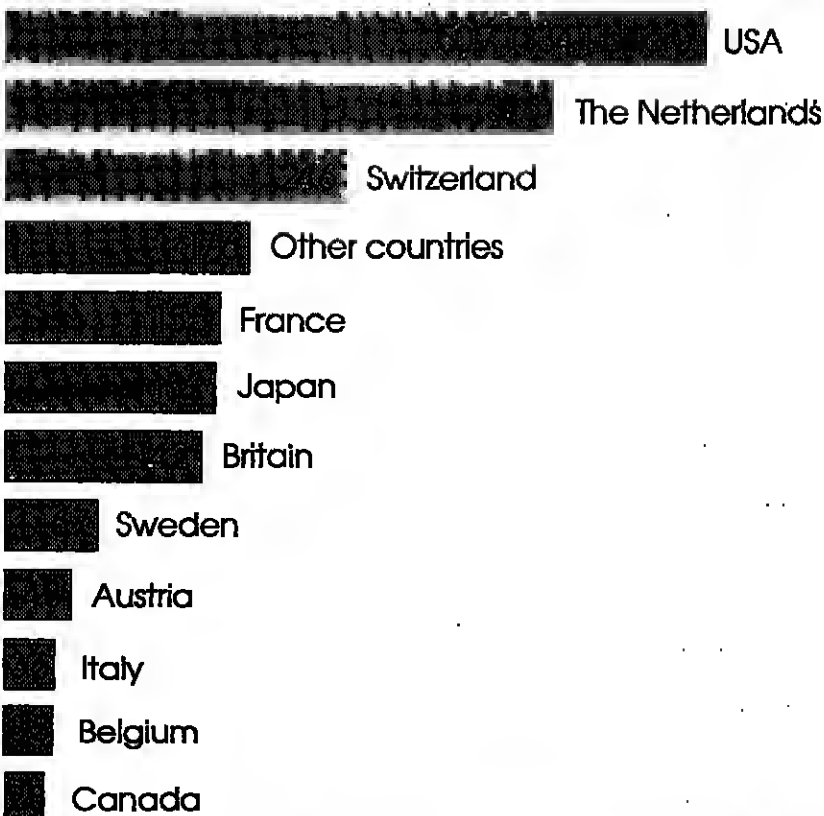
Ten years ago nobody would have dared to think that reunification might be achieved within the foreseeable future. Nobody thought that the East-West conflicts would be supplanted by a neighborly partnership. Ten years ago we still had the Iron Curtain.

NATO's "twin-track decision" was intended to prevent further deployment of Soviet medium-range missiles which directly threatened Germany. Just five years later, all of that was history. The achievement of political unity in 1990 brought with it new tasks for us. For one thing, it is

Foreign Investment in Germany

In billions of DM, 1994

Total: DM 198.8 billion



Source: Deutsche Bundesbank (all figures pertain to direct investment)

'We must now not only build a European house that can weather all the storms, we must also fill it with life'

ests. A neutral Germany would isolate itself more and more — in the detriment of itself and its neighbors.

It is frequently stated that historic opportunities usually only return — if at all — after a very long time. This naturally also applies to the process of European Union. It is up to us whether we advance the cause of European Union with determination, or simply take a hesitant, wait-and-see attitude. It is our goal to construct the house of Europe in such a way that it will be able to withstand the storms of time.

How have foreign expectations changed in relation to the reunited Germany?

Our partners and allies abroad rightfully expect the united Germany to make an active contribution toward the creation and preservation of a peaceful future.

I mean, the world has changed dramatically over

the past few years. But unfortunately not only for the good: even though the East-West conflict is indeed a thing of the past, we are once again experiencing military conflicts in Europe — in the Balkans, in the Caucasus — and there are more regional conflicts all over the world than there were in the past.

Let us examine the question of Germany's inner unity. To what extent can the process of integration already be considered a success, and what are your priorities for the future?

The monetary union of the two Germanys on July 1, 1990 created the foundation that made it possible to launch the economic catching-up process in Eastern Germany. It cleared the way for one of the largest redevelopment programs in history.

Anyone who travels through the new federal

important to achieve inner unity rapidly, and this is something which requires all of our energies and efforts.

And for another, as I mentioned already, one of our most important concerns must be to further advance European integration. At the beginning of the '80s, people were using the term "Eurosclerosis" to characterize the state of the European integration process.

At that time, hardly anyone would have been prepared to wager a single penny on European union. And nevertheless, since then, numerous, indeed even historic, advances have been made.

We cleared the way for a single European market, and, with the Maastricht Treaty, have laid a solid foundation for a favorable European future.

We must now not only build a European house that can weather all the storms, we must also fill it with life.

Here, I am particularly thinking of the formulation of a common foreign and security policy as well as the introduction of European economic and monetary union.

It is also important that we create a Europe that is close to its citizens, a Europe united in diversity, a Europe in which the established traditions of various peoples are able to unfold in a dynamic way.

We Germans have been living in peace for 50 years now, and for the last five years we have been living together in freedom. This is the longest period of peace we have experienced in modern history. We have now fulfilled the ambition of the first federal chancellor, Konrad Adenauer, that Germany should live in peace and friendship with all its neighbors. The peoples of Europe today have the opportunity to shape a positive future as never before. They will only be able to seize this opportunity if they work together.

HOUSEHOLD ASSETS GROW

At the end of 1994, Germany's households held non-real estate assets worth 4.3 trillion Deutsche marks (\$2.9 trillion) — twice the 1984 figure — reports Germany's banking association.

Over the last five years, the amount of annual income accruing to German households from investments has risen 56 percent, from 134 billion DM to 209 billion DM, according to a Berlin-based economic institute.

During the same period, the number of apartments completed annually has risen from 239,000 to 495,000, says a Munich-based institute.

Half a decade has elapsed since October 3, 1990, when the five states comprising the former German Democratic Republic joined the Federal Republic of Germany. That day formally marked the end of four and a half decades of German-German division and the start of perhaps the most extensive rebuilding, redeveloping process in history — a process now well into its second phase.

Another dichotomy has disappeared during this half decade, the one dividing a continent into "Europe" — meaning the Western half — and the "other Europe." Today, both politically and economically, Europe refers to places from Galway to the Urals, Lampedusa to Lapland. Facilitated by an expanding European Union — now busy preparing for next year's key intergovernmental conference on the further implementation of the Maastricht Treaty — the ongoing process of intra-European political and economic integration has robbed this dichotomy of any applicability.

THE NEW SYMBIOSIS: EAST AND WEST EXCHANGE IDEAS

Development used to travel from west to east, but today knowledge and skills are shared on a two-way street.

Mention the word "transfer" in the context of Germany's new states and most people will automatically add "payments." In view of the amount of money that the government has dispatched to the new states over the past four and a half years and the impressive results that have followed, that linkage is anything but surprising.

All told, Germany's federal government has transferred a net total of 644 billion Deutsche marks (\$433 billion) to the new states during the first half-decade of unification, the Deutsche Bundesbank reports. The funds have financed the privatization of the region's economy, the top-to-bottom re-vamping of the new states' transport and telecommunication infrastructure, and the building-by-building, machine-by-machine upgrading of its capital stock.

These improvements have in turn set in motion an economic upturn of historic proportions. Over the last three years, impelled by a 38 percent jump in industrial output and a doubling of gross productivity, the new states' GDP has grown by more than 25 percent — a figure matched only by Asia's "tigers."

Human resources

The flow of capital notwithstanding, money was not the sole or probably even the most important item transferred from the West to the East.

More than 16,000 West German civil servants were also sent to the East over the first two years of unification, according to the Ministry of the Interior. Their energy and expertise have helped revamp the new states' health care, education, legal systems, record-keeping and government functions overall.

The Western civil servants profited from the managerial and survival expertise that the new states' scientists, plumbers, doctors and engineers had gained while contending with life in East Germany. They applied these lessons to setting up new systems and establishing new areas of activity.

One of these activities is the rough-and-tumble of politics. For example, Herbert Wagner, a development engineer, was elected mayor of Dresden in 1990 — a position he still holds today.

More often, the new area is entrepreneurship. According to recent figures published by Germany's Ministry of Economics, 1 million people in the new states have started up a company or entered into a form of professional self-employment. Roughly two-thirds of these start-ups have survived the first, perilous years of operation.

Over the last few years, the transfer process has continued to be a two-way exchange.

Some hard-won lessons of the new states' development process have benefited the West. One of them is learning how to speed up and simplify investment approval processes and implementation.

The West is also noticing the turnaround skills of the steadily growing ranks of "company doctors" — i.e., management consultants — from the new states.

Last but not least, breakthrough technologies such as laser-based, monitorless televisions and ultra-clean two-stroke motors are also traveling westward.

GERMANY

BUSINESS BUILDS
ON THE PAST

A father-son pair offers the best in German enterprise.

Continuity of performance is a key trait of Germany's business community. According to the latest figures released by the Federal Office of Statistics, the country's businesses are on course to set further records for consistency — measured by the years of uninterrupted growth in aggregate corporate assets — and total exports in 1995.

Another trait, ever more evident than in the post-reunification era, is the propensity of new entrepreneurs to join the business community. Germany's "start-up boom" — as the Institut der Deutschen Wirtschaft (Institute of German Economic Affairs) recently labeled it — has been taking place throughout the country. The boom has left the country with its youngest (measured by the mean age of its companies and products), most diversified business community of the postwar era.

Many companies combine these traits into a continuity of performance, with the ability to change product lines and production operations to meet new conditions. A prominent example is Bodeo-Württemberg's Fischer Group.

From ideas to industry

In 1948, Artur Fischer's assets consisted of a vacant gym and a head full of ideas on everything from a better way to take pictures at night (via something called a "built-in flash apparatus") and to affix items on the wall (via a new form of the dowel).

Today, nearly all of these ideas have been turned into commercial products, many by Mr. Fischer himself. Now 75 years old and the group's senior statesman, Mr. Fischer holds some 5,000 patents, more than any other person and nearly all companies in Germany. His

Fischer Group has grown from a one-person operation into a group with a staff of 2,350 and an annual turnover of just under 500 million Deutsche marks (\$336.6 million).

Yet another form of innovation has earned Klaus Fischer, his son and successor, a comparable measure of renown. During his 15 years at the company's helm, the younger Mr. Fischer has parlayed his ingenuity in detecting and exploiting new markets into a tripling of company turnover and a 30+ percent rate of exports.

In doing so, Klaus Fischer has shown a deft and expert hand in boosting productivity by increasing employee job satisfaction. These high levels of productivity, he points out, have been behind the company's vast, ongoing expansion.

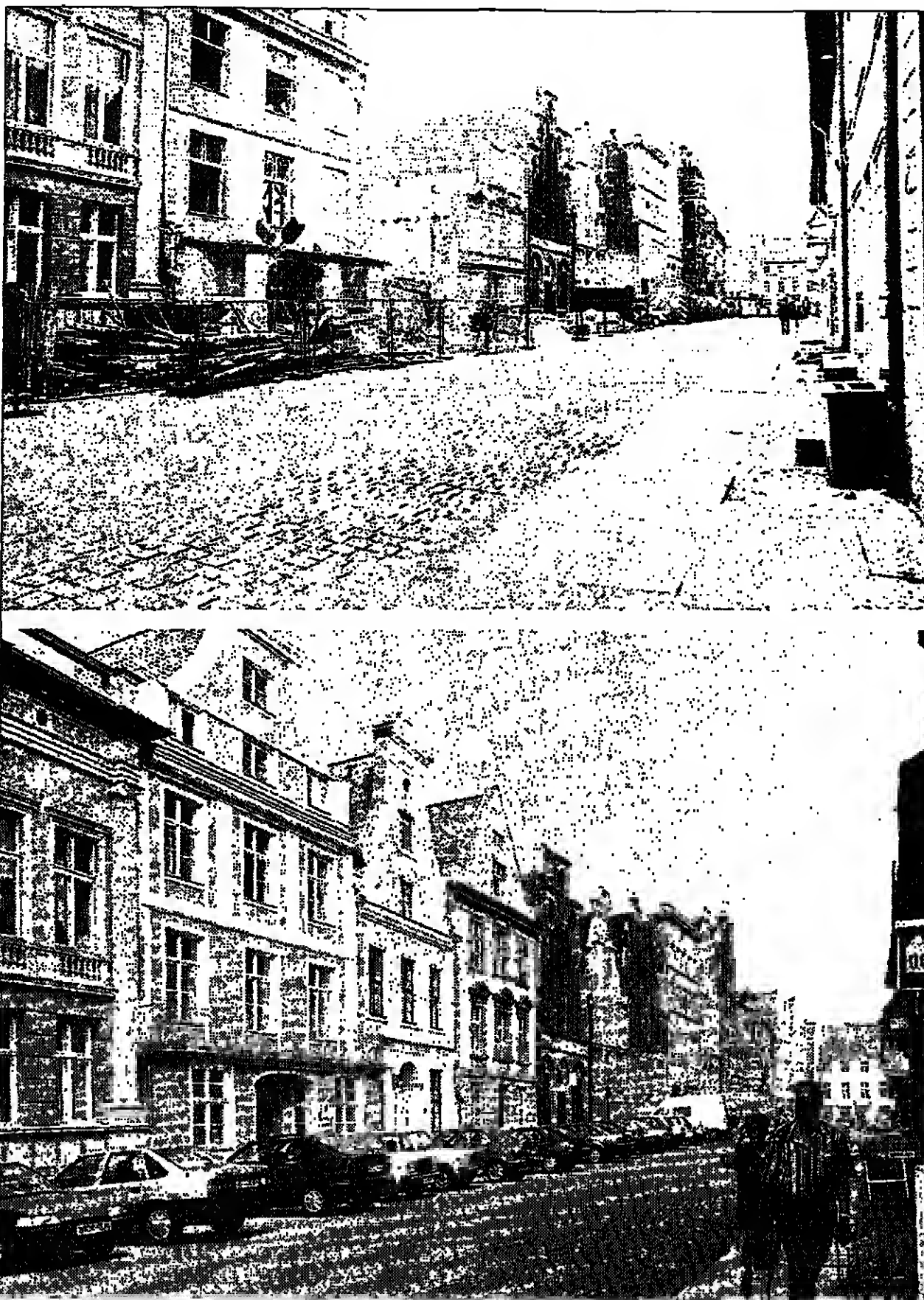
"The productivity of Germany's work force," he says, "is what makes producing in Germany so cost-feasible."

Proud tradition

While worthy of praise and attention, the Fischers' track record is by no means exceptional among the thousands of companies forming Germany's vaunted Mittelstand (ranks of family-owned, small and medium-sized industrial companies), many of which have been equally successful in creating and exploiting new products and markets.

In doing so, these companies have made full use of an important asset.

"One of the most attractive features of life in Germany — and one of our most important business assets — is our country's political and social stability," he has stated. "There's a broadly spread corporate consensus that nothing will be allowed to impair or imperil this stability."



A municipal makeover: Mühlenstrasse in Stralsund in 1990 before German unity (top photo) and five years later (lower photo).

COOPERATION BINDS
THE FINANCE SECTOR

Steady economic progress marks five years of unity.

There were many sights and sounds on July 1, 1990, and a good portion of the media world was there to record them. Images of jubilant East Germans spending their new currency, the Deutsche mark, filled the world's TV screens and front pages.

Events of equal significance occurred in the subsequent days, although the media paid scant attention and they caused less elation than the July 1 "128 billion DM (\$86 billion) shopping spree," a reference to the funds earmarked for the transition, according to the Bundesbank.

Day after day, DM-denominated checks and bank transfers arrived in East German mailboxes and checking and savings accounts. These checks and transfers were for social security payments, and their recipients were East German pensioners.

"Of all the accomplishments associated with the unification of two financial systems," says Horst Köhler, president of the Deutsche Sparkassen- und Giroverband, the country's association of savings and girobanks, "this is to me perhaps the most important and most underestimated. Despite the fact that an entire new currency and new methods of transaction were being introduced on an overnight basis, there were no hitches or delays in receiving payment."

The post-unification period has brought other equally great achievements. After five years of strong growth, 326 banks are located in the new states. They maintain 6,574 offices and outlets, nearly all built and equipped during this same period.

The banking system expanded thanks to the new states' business sector — which has nearly quadrupled

in size over the past four years — and to the tripling in material wealth of the new states' residents.

Since 1990, the amount of credit provided by the region's banks to corporations and self-employed people has risen from virtually nothing to a 87 billion DM.

Perhaps the system's most remarkable accomplishment has been a negative: the relative lack of major breakdowns. While the system has experienced the odd scandal, no bank has failed.



Theodor Waigel, Germany's Finance Minister, observes: "Today, Germany has a rate of inflation hovering close to historic lows. In addition, along with Luxembourg and Ireland, it meets the strict criteria set down in the Treaty of Maastricht. I think those are achievements in which any country could take a measure of pride, especially a country undertaking one of the world's most extensive rebuilding programs."

and the level of forced write-downs of credits outstanding has been very low.

"In an era in which billion dollar collapses have become the norm throughout the world, that's a major accomplishment," says Mr. Köhler. "In a region in which few of the customers have been in business for more than five years, that's an astounding feat."

EAST-WEST LIFESTYLES CONVERGE

The differences in standards of living between Western Germany and the country's new states have greatly diminished. Net average purchasing power and earnings in the new states now amount to just under 75 percent of those of the Western states, reports the Federal Office of Statistics. Although still markedly below the comparable West German figure, the net worth of the average East German has tripled over the last five years. Years of sharp rises have brought the average net disposable East German pension to within one percentage point of its West German counterpart.

The numbers of doctors, hospital beds, telephones and hectares of greenery per thousand inhabitants are either already comparable or rapidly converging. Also converging are the flows of migrants between the two halves. In 1989, some 5,000 West Germans moved to East Germany, with a whopping 388,400 migrating in the opposite direction. In 1994, those figures were 130,000 and 160,000 respectively, reports the Federal Office of Statistics.

Car crazy
In matters of possessions and proclivities, there are virtually no differ-

ences between the two parts of Germany. No matter where they are from, Germans cherish the automobile as a beast of burden and an item of conspicuous consumption. They also show an amazing penchant for travel.

Yet a number of important differences remain. Although rising steadily, the rate of home ownership in Germany's new states is still far below that of Western Germany. Despite an ongoing increase in the number of gainfully employed in the new states, the region's rate of unemployment remains much higher than that of the Western states.



The Opel car company, which has a plant in Eisenach, Eastern Germany, shows its Corsa model at the 11th-century Wartburg Castle.

ENVIRONMENT

'Ultimate Green Refrigerator'
Restores the Ozone Layer

Holding nearly a 21 percent market share, Germany is the world's largest producer of goods and services that protect and improve the environment. Strong domestic demand is one reason: Germany ranks second after Denmark in environmental expenditures per capita.

Despite its massive size and the presence of such heavyweights as RWE Entsorgung and B.U.S., the country's environmental sector is very much the province of small-scale, high-impact manufacturers and service providers.

One of them is Zeo-Tech. Although it has a work force of only 10 people, this Bavarian-based company has come up with the breakthrough technology of the year.

Zeo-Tech has developed what is being called "the ultimate green refrigerator." Instead of depleting the ozone layer, the refrigerator's coolants — a quartz sand known as zeolite — actually help reduce levels of carbon dioxide. After absorbing the heat from the refrigerator's contents, the zeolite conveys it to an interlinked exchanger, which then pipes it into radiators or a furnace.

Zeo-Tech's cooling systems will soon be found literally all over Germany. And Deutsche Bahn AG, the country's rail corporation, is already incorporating the systems into its new generation of ICE (InterCity Express) locomotives.

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IN BOTH TRADE AND EDUCATION, BORDERS PROVE TO BE FLUID

Germany has greatly expanded business ties with its neighbors to the east. In addition, the region has created numerous scholastic and recreational exchanges.

The rebuilding of the economies in Central and Eastern Europe (CEE) is proceeding at a strong pace. The OECD reports that all of the CEE region's 19 countries registered GDP growth in 1994 — with the significant exceptions of the CIS countries, Serbia and the Former Yugoslav Republic of Macedonia. The OECD also reports further improvement taking place in 1995.

Business ties are developing robustly. One indication: in the first half of 1994, trade between the EU and six Central European countries (the Czech Republic, Slovakia, Hungary, Poland, Bulgaria and Romania) registered another strong increase, with exports from the EU to the region showing a 19 percent rise and imports jumping 31 percent. The EU-CEE trade shows an encouraging balance, with the EU generally running a slight surplus, thus belying the oft-invoked specter of inundations of cheap goods from the East.

Not surprisingly, a similar pattern is unfolding between

the CEE countries and Germany, their main trading partner. According to Günter Rexrodt, the country's minister of economics, German trade with the CEE registered a 17.5 percent increase in 1994 and broke the 100 billion Deutsche mark (\$67 billion) mark for the first time, making the region Germany's fastest-growing trading partner.

Study abroad

Nor is German-CEE business interaction restricted to trade. German corporations have entered into 10,000 business ventures in Poland and in the Czech Republic alone, reports Johannes Ludewig, secretary of state in the Ministry of Economics. A counterpoint to this rise has been a vast increase in transborder traffic. The Central and Eastern European Business Review recently estimated that Germans made 48 million trips to Poland in 1994.

While shoppers and other day-trippers account for the lion's share of these border-hoppers, an increasing num-

ber are government officials, business executives, journalists, teachers, high-school students and other participants in the mushrooming number of transnational exchange programs.

Facilitating and partially financing these interchanges are institutions like the German-Polish Youth Exchange, established in 1991, with main offices in Potsdam and Warsaw. The exchange is modeled on the highly successful German-French program. The venues for its programs range from election polling booths to historic castles.

The German-Polish exchanges are increasingly held year-round. Some 1,000 German and 560 Polish students study and, in many cases, room together at the European University of Viadrina, whose campuses are located in Frankfurt-Oder, Germany, and its sister city, Slubice, Poland. The university offers bilingual instruction in such subjects as transnational contract law.

The European University

of Viadrina is only one of an extensive set of binational institutions in the Middle Oder Euroregion, one of eight set up by Germany and its neighbors Poland, the Czech Republic and Austria. Also in this Euroregion are a binational business park, na-

ture preserve, World Trade Center, chamber of commerce, business development corporation, school and sewage treatment district.

The Bavarian-Bohemian Forest Euroregion, which comprises parts of eastern

Bavaria, the southwestern Czech Republic and northwestern Austria, has come up with a few fillips of its own: binational hiking and cycling paths, featuring border crossings reserved for "personally powered persons."

PEACEKEEPING
FORCES IN EUROPE

On August 30, 1995, the "First German-Dutch Corps" was put into active operation. Numbering 28,621 people, this corps is just the latest in a series of supranational military forces convened in Europe on either a permanent or ad hoc basis.

Eurocorps

A good example of the former is Eurocorps, which achieved full operational strength in July, 1994 and is staffed by soldiers from Germany, France, Spain and Belgium.

"These forces provide Europe's countries with a way of putting their sense of the continentality and mutuality of security interests into a tangible form," says Foreign Minister Klaus Kinkel.

"They embody the perception that Europe-level forces are most suited to engage in Europe-level resolutions of conflicts," he adds.

Integration

Over the last few years, Germany's armed forces have acquired expertise in meshing with counter-



Klaus Kinkel, Federal Minister of Foreign Affairs

parts. One of the most prominent examples was the first of these exercises: the integration of East Germany's National Volksarmee into the West German Bundeswehr.

CAPITAL MARKETS ON MONDAY

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Sept. 29. Prices supplied by Telex.

Source: Reuters. Prices supplied by Reuters.											
Australian Dollar											
207	SEK	5	09/01/96	92.1136	5.4300						
Belgian Franc											
243	Belgium	6 1/2	03/31/95	95.3400	6.8200						
British Pound											
107	Toyota Motor	7 1/2	12/22/97	103.2750	7.4700						
Danish Krone											
5	Denmark	7	12/15/94	93.6100	7.8800						
11	Denmark	7	09/15/97	101.3000	6.9100						
17	Denmark	9	11/15/96	106.8800	6.4800						
25	Denmark	9	11/15/96	106.8800	6.4800						
45	Denmark	8	06/15/93	100.4500	7.9500						
57	Denmark T-bills	5 1/2	01/22/96	99.1477	6.1800						
61	Denmark	7	11/15/94	82.1600	8.8200						
111	Denmark	6	11/15/95	103.1200	6.9900						
153	Denmark	6	12/16/97	97.7100	6.7700						
185	Denmark	7	02/15/96	101.2400	6.9100						
Deutsche Mark											
1	Germany	6 1/2	05/12/95	101.4900	4.7700						
2	Germany	7 1/2	05/15/96	102.7850	6.2700						
3	Germany	0	01/21/92	108.5925	7.3700						
4	Germany	7 1/2	01/03/95	104.3225	7.8800						
5	Treasury	5 1/2	09/09/94	105.2300	7.3300						
6	Germany	5 1/2	05/15/96	101.2400	6.8000						
7	Germany	7 1/2	11/15/94	105.9900	7.1200						
8	Germany	7 1/2	01/22/96	99.1477	6.1800						
9	Germany	8 1/2	07/17/97	106.4300	7.2300						
10	Germany	8 1/2	09/22/97	106.4100	7.2300						
11	Germany	8 1/2	09/22/97	106.4100	7.2300						
12	World Bank	4 1/2	07/21/97	106.4300	7.2300						
13	Germany	8 1/2	09/22/97	106.4100	7.2300						
14	Germany	8 1/2	09/22/97	106.4100	7.2300						
15	Germany	8 1/2	09/22/97	106.4100	7.2300						
16	Germany	8 1/2	09/22/97	106.4100	7.2300						
17	Germany	8 1/2	09/22/97	106.4100	7.2300						
18	Germany	8 1/2	09/22/97	106.4100	7.2300						
19	Germany	8 1/2	09/22/97	106.4100	7.2300						
20	Germany	8 1/2	09/22/97	106.4100	7.2300						
21	Germany	8 1/2	09/22/97	106.4100	7.2300						
22	Germany	8 1/2	09/22/97	106.4100	7.2300						
23	Germany	8 1/2	09/22/97	106.4100	7.2300						
24	Germany	8 1/2	09/22/97	106.4100	7.2300						
25	Germany	8 1/2	09/22/97	106.4100	7.2300						
26	Germany	8 1/2	09/22/97	106.4100	7.2300						
27	Germany	8 1/2	09/22/97	106.4100	7.2300						
28	Germany	8 1/2	09/22/97	106.4100	7.2300						
29	Germany	8 1/2	09/22/97	106.4100	7.2300						
30	Germany	8 1/2	09/22/97	106.4100	7.2300						
31	Germany	8 1/2	09/22/97	106.4100	7.2300						
32	Germany	8 1/2	09/22/97	106.4100	7.2300						
33	Germany	8 1/2	09/22/97	106.4100	7.2300						
34	Germany	8 1/2	09/22/97	106.4100	7.2300						
35	Germany	8 1/2	09/22/97	106.4100	7.2300						
36	Germany	8 1/2	09/22/97	106.4100	7.2300						
37	Germany	8 1/2	09/22/97	106.4100	7.2300						
38	Germany	8 1/2	09/22/97	106.4100	7.2300						
39	Germany	8 1/2	09/22/97	106.4100	7.2300						
40	Germany	8 1/2	09/22/97	106.4100	7.2300						
41	Treasury	5 1/2	07/09/93	103.3460	6.5100						
42	Treasury	5 1/2	07/09/93	103.3460	6.5100						
43	Treasury	5 1/2	09/24/94	101.7300	5.5300						
44	Treasury	5 1/2	02/01/91	115.7800	6.2900						
45	Treasury	5 1/2	03/04/94	107.5740	6.4100						
46	Treasury	5 1/2	07/27/99	102.8450	6.7800						
47	Treasury	6 1/2	05/13/94	105.7300	6.7100						
48	Treasury	6 1/2	02/02/92	107.0725	6.0700						
49	Germany	9	01/22/01	113.2590	7.9300						
50	Germany	9	12/02/02	105.3800	7.0100						
51	Germany	9	01/22/01	113.2590	7.9300						
52	Treasury	6 1/2	11/12/93	95.9620	6.2800						
53	Germany	8 1/2	01/26/97	105.1500	7.3400						
54	Germany	8 1/2	02/24/97	105.8900	7.0800						
55	Treasury	6 1/2	01/11/93	101.8933	6.5300						
56	Germany	8 1/2	01/11/93	101.8933	6.5300						
57	Germany	8 1/2	12/26/95	101.0100	6.8600						
58	Germany	8 1/2	12/02/92	102.4100	7.2500						
59	Germany	8 1/2	02/20/97	102.8400	6.4300						
60	Germany	8 1/2	02/20/97	102.8400	6.4300						
61	Germany	8 1/2	02/20/97	102.8400	6.4300						
62	Germany	8 1/2	02/20/97	102.8400	6.4300						
63	Germany	8 1/2	02/20/97	102.8400	6.4300						
64	Germany	8 1/2	02/20/97	102.8400	6.4300						
65	Germany	8 1/2	02/20/97	102.8400	6.4300						
66	Germany	8 1/2	02/20/97	102.8400	6.4300						
67	Germany	8 1/2	02/20/97	102.8400	6.4300						
68	Germany	8 1/2	02/20/97	102.8400	6.4300						
69	Germany	8 1/2	02/20/97	102.8400	6.4300						
70	Treasury	6 1/2	04/23/93	99.9720	5.5100						
71	Treasury	6 1/2	04/23/93	99.9720	5.5100						
72	Germany	8 1/2	12/20/00	112.3700	7.8700						
73	Germany	8 1/2	12/02/98	101.0000	6.5400						
74	Germany	8 1/2	08/12/98	102.7800	7.0000						
75	Germany	8 1/2	04/22/96	102.5500	6.9800						
76	Germany	8 1/2	09/30/04	99.9800	3.9613						
77	Germany FRN	3 1/4	03/26/98	103.0100	5.9300						
78	Treasury	6 1/2	03/26/98	103.0100	5.9300						
79	Treasury	6 1/2	03/26/98	103.0100	5.9300						
80	Treasury	6 1/2	03/26/98	103.0100	5.9300						
81	Treasury	6 1/2	03/26/98	103.0100	5.9300						
82	Treasury	6 1/2	03/26/98	103.0100	5.9300						
83	Treasury	6 1/2	03/26/98	103.0100	5.9300						
84	Treasury	6 1/2	03/26/98	103.0100	5.9300						
85	Treasury	6 1/2	03/26/98	103.0100	5.9300						
86	Treasury	6 1/2	03/26/98	103.0100	5.9300						
87	Treasury	6 1/2	03/26/98	103.0100	5.9300						
88	Treasury	6 1/2	03/26/98	103.0100	5.9300						
89	Treasury	6 1/2	03/26/98	103.0100	5.9300						
90	Treasury	6 1/2	03/26/98	103.0100	5.9300						
91	Treasury	6 1/2	03/26/98	103.0100	5.9300						
92	Treasury	6 1/2	03/26/98	103.0100	5.9300						
93	Treasury	6 1/2	03/26/98	103.0100	5.9300						
94	Treasury	6 1/2	03/26/98	103.0100	5.9300						
95	Treasury	6 1/2	03/26/98	103.0100	5.9300						
96	Treasury	6 1/2	03/26/98	103.0100	5.9300						
97	Treasury	6 1/2	03/26/98	103.0100	5.9300						
98	Treasury	6 1/2	03/26/98	103.0100	5.9300						
99	Treasury	6 1/2	03/26/98	103.0100	5.9300						
100	Treasury	6 1/2	03/26/98	103.0100	5.9300						
101	Treasury	6 1/2	03/26/98	103.0100	5.9300						
102	Treasury	6 1/2	03/26/98	103.0100	5.9300						
103	Treasury	6 1/2	03/26/98	103.0100	5.9300						
104	Treasury	6 1/2	03/26/98	103.0100	5.9300						
105	Treasury	6 1/2	03/26/98	103.0100	5.9300						
106	Treasury	6 1/2	03/26/98	103.0100	5.9300						
107	Treasury	6 1/2	03/26/98	103.0100	5.9300						
108	Treasury	6 1/2	03/26/98	103.0100	5.9300						
109	Treasury	6 1/2	03/26/98	103.0100	5.9300						
110	Treasury	6 1/2	03/26/98	103.0100	5.9300						
111	Treasury	6 1/2	03/26/98	103.0100	5.9300						
112	Treasury	6 1/2	03/26/98	103.0100	5.9300						
113	Treasury	6 1/2	03/26/98	103.0100	5.9300						
114	Treasury	6 1/2	03/26/98	103.0100	5.9300						
115	Treasury	6 1/2	03/26/98	103.0100	5.9300						
116	Treasury	6 1/2	03/26/98	103.0100	5.9300						
117	Treasury	6 1/2	03/26/98	103.0100	5.9300						
118	Treasury	6 1/2	03/26/98	103.0100	5.9300						
119	Treasury	6 1/2	03/26/98	103.0100	5.9300						
120	Treasury	6 1/2	03/26/98	103.0100	5.9300						
121	Treasury	6 1/2	03/26/98	103.0100	5.9300						
122	Treasury	6 1/2	03/26/98	103.0100	5.9300						
123	Treasury	6 1/2	03/26/98	103.0100	5.9300						
124	Treasury	6 1/2	03/26/98	103.0100	5.9300						
125	Treasury	6 1/2	03/26/98	103.0100	5.9300						
126	Treasury	6 1/2	03/26/98	103.0100	5.9300						
127	Treasury	6 1/2	03/26/98	103.0100	5.9300						
128	Treasury	6 1/2	03/26/98	103.0100	5.9300						
129	Treasury	6 1/2	03/26/98	103.0100	5.9300						
130	Treasury	6 1/2	03/26/98	103.0100	5.9300						
131	Treasury	6 1/2	03/26/98	103.0100	5.9300						
132	Treasury	6 1/2	03/26/98	103.0100	5.9300						
133	Treasury	6 1/2	03/26/98	103.0100	5.9300						
134	Treasury	6 1/2	03/26/98	103.0100	5.9300						
135	Treasury	6 1/2	03/26/98	103.0100	5.9300						
136	Treasury	6 1/2	03/26/98	103.0100	5.9300						
137	Treasury	6 1/2	03/26/98	103.0100	5.9300						
138	Treasury	6 1/2	03/26/98	103.0100	5.9300						
139	Treasury	6 1/2	03/26/98	103.0100	5.9300						
140	Treasury	6 1/2	03/26/98	103.0100	5.9300						
141	Treasury	6 1/2	03/26/98	103.0100	5.9300						
142	Treasury	6 1/2	03/26/98	103.0100	5.9300						
143	Treasury	6 1/2	03/26/98	103.0100	5.9300						
144	Treasury	6 1/2	03/26/98	103.0100	5.9300						
145	Treasury	6 1/2	03/26/98	103.0100	5.9300						
146	Treasury	6 1/2	03/26/98	103.0100	5.9300						
147	Treasury	6 1/2	03/26/98	103.0100	5.9300						
148	Treasury	6 1/2	03/26/98	103.0100	5.9300						
149	Treasury	6 1/2	03/26/98	103.0100	5.9300						
150	Treasury	6 1/2	03/26/98	103.0100	5.9300						
151	Treasury	6 1/2	03/26/98	103.0100	5.9300						
152	Treasury	6 1/2	03/26/9/								

CYBERSCAPE

Will Everyone's Computer Be a TV — or Vice Versa?

By Mitchell Martin
International Herald Tribune

PARIS — Meet Bill and Larry, the betting billionaires of computer software. They want to help you watch television. Bill is Bill Gates, 39, the richest American and chairman of Microsoft Corp., the world's largest software company. Larry is Lawrence J. Ellison, 51, chairman of Oracle Corp., the world's second-largest software company. He has a personal fortune of more than \$4 billion. That makes him about \$9 billion poorer than Mr. Gates.

In public speeches and private interviews, the two billionaires often snipe at each other, but their comments about each other's ages and market shares obscure a philosophical divide over the future of computing on the Information Superhighway.

Although they both foresee pervasive interactive video services, allowing people to get interesting information and entertainment on demand, they disagree on the architecture that will dominate the system.

Mr. Ellison said he was "predicting to some degree the downfall of Microsoft and Intel as we know them," a prospect that he admitted "sounds crazy."

He is betting that once the world is hooked up to interactive television, personal computers will be eclipsed by centralized servers. These servers will provide users with computer programs as well as the software of the entertainment and publishing industries: music, movies and other kinds of information.

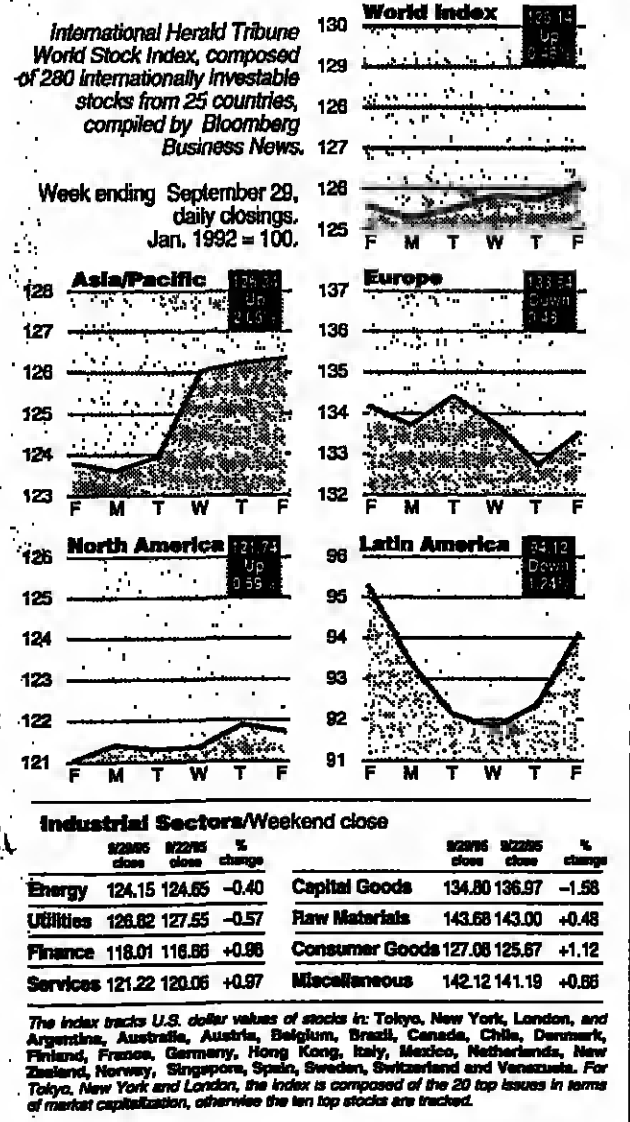
People will gain access to these services with what Oracle calls video appliances, essentially a hybrid of televisions and computer terminals. Last week, Oracle said it would work with Hitachi Ltd. to create the servers and decoding devices needed to reach video services.

Mr. Ellison's view is that the servers will replace personal computers as the central element in information processing, in much the way Microsoft and the semiconductor maker Intel Corp. created a standard for personal computers that usurped the role of mainframes in the 1980s. The great lure of the video appliances is that they will cost only \$400 or \$500, roughly the same as a large television and less than half the price of most personal computers.

Mr. Gates disagrees, perhaps unsurprisingly in view of his company's dominant position in the market for personal-computer programs. In a speech in Paris last month, he said, "It is becoming clear now that the PC together with Windows, low-cost communications and Internet standards form the core of what will be not only a new way of doing business but a new way of working and

See TELEVISION, Page 18

THE TRIB INDEX



CURRENCY RATES

Currency	Per \$	Per 100	Per 1000	Per 10000	Per 100000	Per 1000000
Australian dollar	1.36	13.60	136.00	1360.00	13600.00	136000.00
British pound	1.68	16.80	168.00	1680.00	16800.00	168000.00
Canadian dollar	0.71	7.10	71.00	710.00	7100.00	71000.00
French franc	6.55	65.50	655.00	6550.00	65500.00	655000.00
German mark	1.36	13.60	136.00	1360.00	13600.00	136000.00
Italian lira	2.00	20.00	200.00	2000.00	20000.00	200000.00
Japanese yen	100.00	10000.00	100000.00	1000000.00	10000000.00	100000000.00
Swiss franc	1.48	14.80	148.00	1480.00	14800.00	148000.00
U.S. dollar	1.00	10.00	100.00	1000.00	10000.00	100000.00

Source: (ING Bank (Amsterdam), Reuters Bank (London), BNP Paribas (Paris), Citicorp (New York), Deutsche Bank (Frankfurt), HSBC (London), J.P. Morgan (New York), etc.)

The Resurrection of Milken

By Peter Truett
New York Times Service

NEW YORK — Fined for two years, fined more than \$1 billion and barred from the securities business for life after pleading guilty to six counts of fraud in 1990, Michael Milken was disgraced, his career as a brilliant financier in ruins.

Now, defying all predictions, Mr. Milken is back in business, advising corporate executives such as Rupert Murdoch, Ronald O. Perleman and Ted Turner — all clients of Milken during his heyday — as they reshape the landscape of the world's media and entertainment industries.

Although he is receiving millions of dollars for his services, profit is said not to be his motivation; Mr. Milken, 49, is believed to be worth at least \$550 million.

"He thinks he's like Michelangelo painting the ceiling of the Sistine Chapel, doing God's work, and then along comes some government bureaucrat who wants to know if he's got a painting permit," a person close to Mr. Milken said recently.

Whether Mr. Milken's return to the world of multibillion-dollar takeover deals puts him on a collision course with the Securities and Exchange Commission remains to be seen. As part of his settlement with the govern-

ment, Mr. Milken signed an agreement that bars him "from association with any broker, dealer, investment adviser, investment company or municipal securities dealer."

Mr. Milken's lawyer, Richard V. Sandler, said Friday that his client had not "even come close to running afoul of that agreement."

At the SEC, James T. Coffman, assistant director in the division of enforcement, said the agency was aware of Mr. Milken's recent business activities. He declined to comment on any matter specifically related to Mr. Milken.

But others say the government has not achieved the result it sought in punishing Mr. Milken.

"If the SEC believed it was permanently barring Mr. Milken from anything but personal transactions, it clearly did not achieve that result," said Marvin G. Pickholtz, former assistant director of the enforcement division of the SEC, who now practices law in New York.

The question of just what Mr. Milken is doing and whether it constitutes involvement in the securities industry is complex. In effect, he is allowed to be a consultant but cannot play an active role as an investment adviser in specific securities transactions.

The deal makers who have been seeking Mr. Milken's services — and paying him millions for them — apparently figure that his

See MILKEN: Page 19

IMF and World Bank Team Up on Debt Crisis

By Alan Friedman
International Herald Tribune

PARIS — The World Bank and the International Monetary Fund have joined forces to try to find a way to reduce an \$11 billion debt mountain that is facing the world's 20 to 30 poorest countries.

James D. Wolfensohn, the new World Bank president, said in a telephone interview over the weekend that he and Michel Camdessus, the IMF's managing director, had been working together on the problem since early August.

Such collaboration between the two organizations is unusual, especially after reports that they were divided on the issue of the debt, which is owed to multilateral agencies such as the IMF, World Bank and regional development banks.

The debt issue is expected to feature prominently at the

IMF/World Bank annual meetings that begin this weekend in Washington.

"The IMF is working with us," Mr. Wolfensohn said. "Michel and I first referred a working paper on the problem of multilateral debt to our staffs in August when we were on holiday together at my house in Jackson Hole, Wyoming."

An aide to Mr. Camdessus, meanwhile, quoted the IMF chief as having said Friday that "we support the ongoing efforts of the Bank in this area, and we stand ready to assist the Bank in whatever way we can."

Turning to Bosnia, Mr. Wolfensohn said the World Bank was prepared to play a key role in helping to coordinate what he estimated as \$3 billion of reconstruction aid that might be needed from donor governments over the next four years.

He said a World Bank team had met Bosnian officials four

weeks ago and that in recent meetings in Sarajevo, the U.S. mediator Richard Holbrooke "has been offering the services of the World Bank."

The show of unity between the IMF and the World Bank on the debt question comes just ahead of the annual meetings in Washington and follows reports that the two organizations had disagreed over the best solutions. Mr. Wolfensohn, while declining to go into detail, said that "it may be the starting positions were different, but we are moving ahead jointly."

During their summit meeting in June in Halifax, Nova Scotia, leaders of the Group of Seven leading industrial countries said they wanted to help ease the pressure on the poorest countries caused by the multibillion-dollar burden of debt owed to international agencies.

Mr. Wolfensohn said that See DEBT, Page 18

EU Session Won't End Currency Doubts

By Carl Gewirtz
International Herald Tribune

PARIS — Europe's finance ministers are likely to find that their weekend confirmation of the 1999 target date for currency union won't end uncertainty over its introduction, simply because so many of the 15 candidates remain so far from fulfilling the criteria for admission.

"The reconfirmation is not going to put an end to the doubts," said Joaquin Perez of Banque Indosuez SA in Paris. "The real question about extension is whether France can meet the criteria in time. Until that is clarified, doubts will persist," she said, adding that even a rump union could proceed only with the participation of France.

Analysis agrees that a postponement of the start-up date, allowing candidates such as France more time to better reconcile the need for fiscal austerity with the requirement of increased growth and lower unemployment, has appeal.

"Having, say, four years to get the budget deficit down below 3 percent of gross

domestic product could allow France to adopt a more thorough and durable fiscal reform — with greater emphasis on lower public spending and less reliance on higher taxes — and less risk of crushing short-run growth prospects," said Jonathan Wilmut at CS First Boston in London.

But where the experts disagree is on the desirability of telegraphing this message to the governments of candidate countries as well as to the public.

"The transition to a single currency will be difficult," said Norbert Walter of Deutsche Bank AG in Frankfurt, "but lengthening the time frame only adds to the problems. More time only means more time for potential turbulence in financial markets and potential shocks and — possibly — second thoughts about what they have agreed upon" by government officials.

His advice to governments is to stick to the timetable but privately be prepared "to consider emergency solutions if they are warranted."

But, he cautioned, "That's not something that should be announced. If, for

example, Italy by 1998 is close to fulfilling the criteria, then it would be meaningful to consider extending the deadline by six months or a year."

But John Llewellyn at Lehman Brothers in London is most preoccupied by the volatility in financial markets that the uncertainty is provoking.

Although price movements in European stocks, bonds and currencies last week were not dramatic, he said, "they were turbulent given the fact that there was no new news — it's no secret Italy may not qualify for monetary union."

"Turbulence is bad," he added, "because it makes decision-making difficult, for the private sector as well as for governments, and because it always provokes interest rate rises on countries whose currencies depreciate."

It nearly always results across all countries in a net tightening of policy. And at the governmental level, it preoccupies and paralyzes policy-making.

Thus, his priority is to calm financial markets.

Kerkorian Hires Help For New Chrysler Fight

By James Bennet
New York Times Service

DETROIT — Kirk Kerkorian has added a shareholder activist with ties to big institutional investors to the team he is assembling to take on Chrysler Corp., possibly in a proxy fight.

Mr. Kerkorian hired Ralph Whitworth, who promotes such issues as executive compensation. The Washington-based activist earned a reputation as a corporate giant-killer by successfully pushing for changes in the way directors are selected at International Business Machines Corp. and Westinghouse Electric Corp.

His hiring is further evidence that Mr. Kerkorian is planning a drawn-out campaign, publicly in the news media and privately

among powerful investors, to change the way Chrysler is run. Mr. Kerkorian and his team failed in a spring buyout bid for Chrysler. Mr. Kerkorian owns more than 14 percent of Chrysler's stock.

An official at Tracinda Corp., the Las Vegas-based investor's privately owned company, confirmed that it had recently hired Mr. Whitworth. Mr. Whitworth declined to discuss his ties to Mr. Kerkorian.

Chrysler Aids Return Fire
Chrysler Corp., trying to halt another takeover maneuver by Mr. Kerkorian, has launched a nationwide advertising campaign urging stockholders to stand by the company. The Washington Post reported from New York.

Italian Hat Firm Holds to Old Ways Of Its Glory Days

By James Hansen
Special to the Herald Tribune

ALESSANDRIA, Italy — It is a company with a terrific future behind it. For a century there was no better name than Borsalino in men's hats.

"Between the two wars," Managing Director Giuseppe Petrone said, "Borsalino was something close to a multinational — 2,500 employees manufactured 2 million hats a year, which were sold in practically every country in the world."

In the first half of this century, no man with any pretense to style went bareheaded, and if he had any tone at all, his hat was a Borsalino. Humphrey Bogart wore the company's product in "Casablanca." The gangster Al Capone was another customer.

Then, for no clear reason, beginning in the late 1940s men stopped covering their heads. The company, founded in 1857, suddenly found its commanding lead in the market was like having a dominant position in buggy whips.

Today, Borsalino is a small business. Based in this northwestern Italian city, its 100 employees manufacture about 500 high-quality men's felt hats a day with equipment that would not be out of place in a museum of industrial archaeology.

"We expect revenues to reach 15 billion lire (\$9.3 million) this year," Mr. Petrone said. "Altogether we sell about 200,000 hats annually, about half of which we make ourselves."

Borsalino does all its own work in men's felt hats. These begin life as bales of rabbit fur from Australia and Argentina. The process of felting, essentially unchanged for thousands of years, uses heat and humidity to produce a densely matted sheet of tangled fur fibers from which the hat is formed.

Borsalino panama straw hats are hand-woven in Ecuador by Indian women who may take two months to produce a single hat. The hats reach Italy in the form of a rough cone, which is then shaped and finished with a band and decoration.

Whether felt or straw, much skilled handwork is involved, and the finished product is expensive. Borsalino's felt hats retail at prices beginning around \$300, and its Montecristi panamas can go for twice that.

At those prices, wearing a Borsalino is more than a mere fashion statement. Though the glory days of the men's hat are gone, the company's client list is thick with well-known figures. Ronald Reagan and Mikhail S. Gorbachev wear Borsalinos, as do the actors Harrison Ford, Robert Redford and Alain Delon.

But far and away the company's most important clients are Orthodox Jews. About 20 percent of its production of felt hats, all rigorously black, goes to provide the male head coverings that Orthodox observance requires.

The Borsalino family, which watched helplessly as the company's work force shrank from 2,500 to just above 80 workers, finally bailed out a dozen years ago.

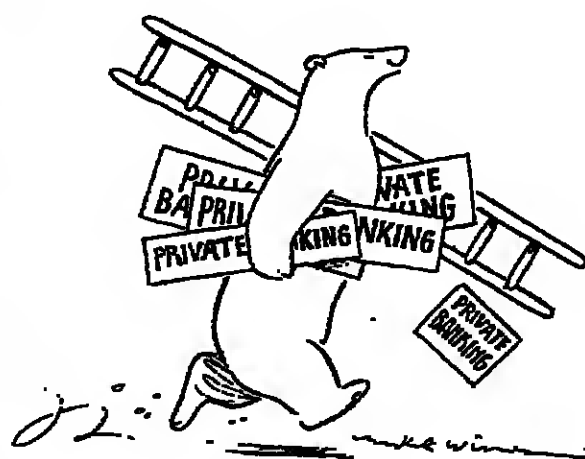
Its present owners acquired Borsalino two years ago for 14 billion lire. Mr. Petrone, a banker by training, was brought in to reorganize the company, focusing attention on the commercial side, which had been especially neglected.

"The company really had no commercial policy then," he said. "It made hats, and its agents decided how to sell them."

Borsalino declines to give its revenue targets, but the immediate objective is to take its products even further upmarket.

"With these technologies, we really cannot raise production much higher than it is now," Mr. Petrone said. "That means we must add value to the existing product. We must be at the center of the hat world."

Articles in this series appear every other Monday.



New signs
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Close of trading Friday, Sept. 29

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(Continued From Page 4)

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'Party Test' Signals a Market Top

By Sana Siwolop
New York Times Service

NEW YORK — After years of attending cocktail parties where nobody bothered to ask him for stock recommendations, Robert Flaherty suddenly began to get a lot of requests about six months ago.

"When stocks were cheap, people didn't want to talk about them," said Mr. Flaherty, a money manager with Flaherty & Crumrine in Pasadena, California. "Now I don't want to talk about them."

Mr. Flaherty is worried as well as annoyed about the new social attention. Coupled with the recent volatility in technology stocks, this "cocktail party test," as he calls it, gives him a pessimistic reading of the market.

With stocks up more than 25 percent in 1995, many investors, like Mr. Flaherty, are naturally edgy that they may be over a top. And many of the standard market measures give them plenty of cause for concern. Common stocks are now producing the lowest average dividend yield in stock market history, for instance — a measly 2.4 percent. That's a very solid argument that stocks are overpriced.

But, also like Mr. Flaherty, skittish investors are pointing to less conventional evidence — from Rolls-Royce sales to slick names for new investments — that the market may be cresting.

Remember, for example, the cutely named investment products of the late 1980s and early 1990s? Merrill Lynch started offering TIGRs — Treasury Investment Growth Receipts — and soon Wall Street had a menagerie of LYONS, CATS and more.

Of course, there will never be any proof that market downturns follow jumps in flashy names. But some investors worriedly note the rise in the last year or two of

other such products — CUBS, MIFS, TOPS and SPDRs — as well as investors' warm welcome of them.

Consider CUBS, "customized upside basket securities," which were launched last summer by Bear, Stearns & Co.

These products, which offer investors a play on 23 stocks the company thinks are potential takeover targets, have done "extremely well," said Don Martocchio, the company's managing director in charge of equity derivatives. After just a few days of trading in late July, the CUBS were up 28 percent in value — even though the underlying stocks had risen just 5 percent.

Others, remembering Wall Street's spending spree in the 1980s, may flinch after a talk with Dennis Mallon, a manager of Rallye Motors in Roslyn, New York. Sales of Rolls-Royce and Bentley there are running twice as strong this year as last, he said. While some of the rise can be attributed to new car models and a leasing program, the stock market has decidedly helped.

Real-estate brokers aren't complaining, either. At Halstead Property Co. in Manhattan, Clark Halstead estimates that if the stock market flattened or declined, his luxury-dwelling business would plummet 25 percent.

"We've had a good business this year, and it's due in no small part to the way the stock market is performing," he said.

Do you find these measures too far removed from the market? Then talk to Steven Leuthold, a staunch bear at the Minneapolis money-management firm of Leuthold & Anderson. He has plenty of hard numbers for bears to choose from. He says that 30 of the 38 market indicators that he tracks are now pointing downward — a negative reading that he hasn't seen since 1972.

One omen that is not routinely in-

cluded and that particularly worries Leuthold is the total capitalization of American stocks — about \$5.5 trillion — expressed as a percentage of gross domestic product.

"This amounts to 80 percent of our current GDP, which means it matches its 1972 all-time extreme," he said. By comparison, in 1929 the ratio was 77 percent, and in 1987 it peaked at 78 percent in August — two months before the crash.

Robert Shiller, an economist at Yale University, is also giving some nonroutine numbers a wary look.

He says the standard way of measuring price/earnings ratios — using actual or estimated earnings from this year, last year or next year — may understate price levels because many companies' earnings have shot up recently. He is instead tracking long-run P/E ratios — over the last 10 years — and he does not like what he sees.

"These long-run price ratios aren't at the record highs that they were in the late 1960s, but they're still high," said Mr. Shiller. "We've found that when these ratios are high, stock prices tend to go down."

Still, for some the softer measures are no less ominous than hard numbers.

"It's the way people are behaving that has me worried," said Mr. Flaherty. Mr. Leuthold agreed and said, "It's not necessarily greed or people getting rich that's driving the market. It's more of a naivete, a feeling that putting money into stocks is like putting it into a bank account and getting a consistent 10 or 11 percent return."

Until the market speaks for itself, the standard indicators of where stocks are going next will be those that are invoked most frequently. Many of them look bearish, such as the price-to-book multiple, which compares stock prices to the value of the issuing company's assets. The average multiple for stocks in the Standard & Poor's 500-stock index has shot up to 3.9 from 2.6 in 1991.

SEC Braces for Lean Times in New Year

By Floyd Norris
New York Times Service

NEW YORK — Sunday, the first day of the U.S. government's fiscal year, was also the first day of what looks likely to be a long siege of uncertainty and belt-tightening for the Securities and Exchange Commission, the chief regulator of the nation's securities markets.

When it opens for business Monday, the SEC will be operating under a federal stopgap spending plan that will entail at least a temporary cut in its budget. (By the way, anyone filing a new securities offering Monday should check to see whether the plan has altered the SEC's fee schedule.)

Even beyond this short-term budget squeeze, the SEC faces 1996 with prospects that bode ill for its ability to keep pace with the expanding size and accelerating pace of the American markets. The best it can hope

for seems to be a freezing of its 1996 budget at 1995 levels.

It might fare worse. Until nearly the end of last week, Republican Senator Phil Gramm of Texas was pushing for a 20 percent budget cut. By late Thursday, his colleague Alfonse D'Amato of New York had written Mr. Gramm to urge him to agree to a zero-cut budget for the commission.

As the week ended, the Senate had agreed to an amendment calling for a 10 percent cut. A zero-cut budget may yet emerge, but its fate is far from clear.

What is certain is that no one expects — and most people do not want — the SEC's workload to remain frozen at current levels. On average, since 1980, the volume of shares traded in markets has grown by about 15 percent a year; the number of mutual funds has grown by more than 8 percent a year; and the number of registered invest-

ment advisers has grown by nearly 14 percent a year.

Almost as certain is that the outlook is bleak for the SEC's tiny Office of Investor Education and Assistance, which Mr. Gramm wants to eliminate as being beyond the SEC's mission despite arguments by the SEC chairman, Arthur Levitt Jr., that fully 18 percent of the commission's enforcement cases are triggered by complaints the unit receives from investors.

Whatever the deregulatory spirits in Congress assume, Wall Street does not support these initiatives.

John L. Steffens, an executive vice president at Merrill Lynch & Co. and chairman of the Securities Industry Association, said cutting the SEC's budget when its regulatory burden is growing "just doesn't make any sense."

Nor does the industry favor scrapping the investor educa-

tion office: "Speaking both personally and for the SIA, the whole issue of educating the public is one of the things that should be a primary mission of the SEC," he said.

So why does the SEC appear so friendless in Congress? Perhaps its Wall Street friends have spoken too softly in its defense. Mr. Gramm is the chairman of the Senate securities subcommittee, and Wall Street is wary of alienating him. The industry, moreover, has found a lot that it likes in the deregulatory campaign that encompasses the SEC budget issue.

"So it is hard to get people ignited on the issue," one industry executive said privately. For all Wall Street's support for a strong SEC, he added, "nobody has called Phil Gramm to say this is a crazy idea."

The SEC may well have ideological foes in Congress. But with friends like these, its enemies are perhaps superfluous.

The Week Ahead: World Economic Calendar, Oct. 2-7, 1995

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

Asia-Pacific

Oct. 2 Tokyo Bank of Japan releases supply of demand of funds in money markets for September.
Oct. 2 Tokyo Machine Tool Builders Association releases machine tool orders for September.
Oct. 2 Tokyo Japan Automobile Dealers Association releases new-vehicle sales for September.
Oct. 2 Tokyo Ministry of Finance releases foreign currency reserves for September.
Oct. 2 Taipei Government to release consumer price index for September.
Oct. 4 Jakarta The government announces Indonesia's merchandise trade balance for July and the change in the consumer price index for September.
Oct. 4 APEC working-level talks on tariff data-base establishment.
Oct. 5 Melbourne Pacific Magazine & Publishing Ltd. holds annual shareholders meeting.

Wellington New Zealand releases balance of payments for the April-June quarter. Forecast: quarterly current-account deficit of 400 million New Zealand dollars (\$253.3 million), annual deficit of 2.75 billion dollars.
Oct. 2 Taipei The government releases consumer-price index for September.
Oct. 2 Taipei The government releases machine tool orders for September.
Oct. 2 Taipei APEC Tariff Database Task Force meets.
Oct. 2 Taipei Full Corp. lists its shares on Japan's over-the-counter stock exchange.
Oct. 7 Taipei The government releases figures for September imports and exports; August gold import figures.

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Business Travel Services From ITT Sheraton



AT&T
Your True Choice

Mets Win Finale In 11 Innings

NL ROUNDUP

At age 27, he became the

card race. The Rockies were eliminated from the NL West title race when Los Angeles won.



The Associated Press

"I can't tell you. If I did, there wouldn't be any sense in having a press conference," he said.

During Anderson's tenure, the Tigers won the World Series in 1984 and the American League East title in 1987.

The Associated Press

Marriages. at age 34 and possibly in his

AL ROUNDUP

Indians 17, Royals 7: Cleveland closed

Mustata pitched a two-hitter, striking out seven and walking two in his fourth shutout of the season. The right-hander's 19 wins were tops in the AL this season.

Consolidated trading for week ended Friday, Sept. 29.

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1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
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61	62	63	64	65	66	67	68	69	70
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741	742	743	744	745	746	747	748	749	750
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861	862	863	864	865	866	867	868	869	870
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901	902	903	904	905	906	907	908	909	910
911	912	913	914	915	916	917	918	919	920
921	922	923	924	925	926	927	928	929	930
931	932	933	934	935	936	937	938	939	940
941	942	943	944	945	946	947	948	949	950
951	952	953	954	955	956	957	958	959	960
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SPORTS

Schumacher Paves Way to Formula One Title

REUTERS
NURBURGRING, Germany—The defending world champion, Michael Schumacher, virtually secured the 1995 Formula One title on Sunday when he claimed an impressive victory in the European Grand Prix.

Schumacher, 26, driving for Benetton, won the race with thrilling skills in changing conditions, mixed with exemplary, tactical judgment to finish 02.6 seconds ahead of Jean Alesi of France in a Ferrari.

Schumacher's triumph extended his commanding lead over his British rival, Damon Hill, from 17 points to 27 with three races remaining—a margin that would be insurmountable Hill conceded before the race. Hill's Williams teammate and fellow Briton, David Coulthard, was third, more than 32 seconds behind Alesi, while Hill himself was left standing at the side of the circuit after spinning off with eight of the 67 laps remaining.

The crowd of about 100,000 that had packed the mist-shrouded circuit near the Eifel mountains was thrilled from start to finish by Schumacher, their local hero, whose family home is only 75 kilometers (46 miles) away.

Rubens Barrichello of Brazil, in a Jordan, was fourth, ahead of Schumacher's Benetton teammate, Johnny Herbert of Britain. Another Briton, Eddie Irvine, who will join Schumacher at Ferrari next season, finished sixth.

Schumacher said he felt he was now on his way to the championship after watching Hill's car spin into a tire wall.

"I saw Damon in the wall and now I can stay second for the championship or push," Schumacher said. "The pressure from my fans made me push to win the race."

The race was a thriller from start to finish. On the warm-up lap, Coulthard, the pole man, spun off and had to start and restart.

The conditions then were damp and treacherous, but the track was drying out gradually and when the race began in earnest Schumacher made a strong start to take second place.

Ferrari was the only team to risk starting on slick tires and this resulted in a poor start for both Alesi and his teammate, Gerhard Berger. But as the circuit dried out, Alesi carved his way through the field to take the lead when Coulthard pitted for the first time.

Schumacher, on a three-stop strategy compared to Alesi's one and his rivals' two each, reeled off several series of fastest laps, but Hill, who matched him in the early stages, found the struggle beyond him the longer the race went on.

SIDELINES

Langer Wins European Open

DUBLIN (Reuters)—Bernhard Langer sank a 70-foot eagle putt on the final hole to force a playoff and then made a 22-foot birdie putt on the second extra hole to snatch the European Open golf title from Barry Lane on Sunday.

It was Langer's third European PGA victory of the year, after winning the British PGA and the European Tournament Players events.

Toshimitsu Izawa won the Japan Open in Tokyo on Sunday, shooting a final-round 70 for a total 277. He defeated Kazuhiko Hosokawa, who had a 67 in the final round, by one stroke.

Lammitarra Triumphant in Paris

PARIS (AP)—Lammitarra made a brilliant stretch run to win the Arc de Triomphe race Sunday to stay unbeaten for his career and become the first horse since 1971 to complete an im-

pressive triple victory. Second was Freedom Cry, who made a late rush to come less than a length behind, with Swain third and Lando fourth.

For the Record

Naseem Hamed won the WBO featherweight title on Saturday in Cardiff when the referee stopped his fight against Steve Robinson, the title-holder, in the eighth round. (Reuters)

Roy Jones retained his IBF super middleweight title on Saturday in Pensacola, Florida, when referee Brian Garry stopped the fight against fellow American Tony Thornton with 2:15 left in the third round. (Reuters)

James Zarek of Britain finished the Spartathlon—a 147.2-mile run from Athens to Sparta—in 18 seconds under 26 hours for his second straight victory in the Spartathlon. (AP)

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

Team	W	L	Pct.	GB
Boston	55	40	.577	0
New York	52	43	.547	3
Chicago	48	47	.505	7
Toronto	45	50	.479	10

Central Division

Team	W	L	Pct.	GB
Cleveland	50	46	.521	0
Kansas City	48	48	.500	2
Chicago	47	49	.489	3
Minnesota	46	50	.479	4

West Division

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

NATIONAL LEAGUE

East Division

Team	W	L	Pct.	GB
Atlanta	48	48	.500	0
Philadelphia	47	49	.489	1
New York	46	50	.479	2
Pittsburgh	45	51	.469	3

Central Division

Team	W	L	Pct.	GB
St. Louis	48	48	.500	0
Chicago	47	49	.489	1
San Diego	46	50	.479	2
Pittsburgh	45	51	.469	3

West Division

Team	W	L	Pct.	GB
Los Angeles	48	48	.500	0
Colorado	47	49	.489	1
San Diego	46	50	.479	2
San Francisco	45	51	.469	3

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	48	48	.500	0
Philadelphia	47	49	.489	1
New York	46	50	.479	2
Pittsburgh	45	51	.469	3

FOOTBALL

Top 25 College Results

New Top 25 teams in the Associated Press poll

Rank	Team	W	L	T
1	Florida State	10	0	0
2	Nebraska	9	0	1
3	Washington	8	0	1
4	Michigan	8	0	1
5	Ohio State	7	0	2
6	Notre Dame	7	0	2
7	Georgia Tech	7	0	2
8	Alabama	7	0	2
9	South Carolina	7	0	2
10	Arkansas	7	0	2
11	LSU	7	0	2
12	Mississippi State	7	0	2
13	West Virginia	7	0	2
14	North Carolina	7	0	2
15	Florida	7	0	2
16	Georgia	7	0	2
17	Alabama	7	0	2
18	South Carolina	7	0	2
19	Arkansas	7	0	2
20	LSU	7	0	2
21	Mississippi State	7	0	2
22	West Virginia	7	0	2
23	North Carolina	7	0	2
24	Florida	7	0	2
25	Georgia	7	0	2

Saturday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	48	48	.500	0
Philadelphia	47	49	.489	1
New York	46	50	.479	2
Pittsburgh	45	51	.469	3

HOCKEY

NHL Preseason

Friday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

TENNIS

SWISS OPEN

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Major College Scores

East

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

West

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

CFL Standings

North Division

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

South Division

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

AUTO RACING

European Grand Prix

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

SOCCER

ENGLISH PREMIER LEAGUE

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

CRICKET

SECOND ONE-DAY INTERNATIONAL

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

TRANSITIONS

BASEBALL

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

BASKETBALL

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

Saturday's Results

Team	W	L	Pct.	GB
Seattle	48	48	.500	0
California	47	49	.489	1
Texas	46	50	.479	2
Oakland	45	51	.469	3

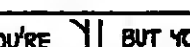
DENNIS THE MENACE



PEANUTS



GARFIELD



BEETLE BAILEY

Notre Dame Yields 45 Points in Loss To Ohio State

The Associated Press
Coming down from the press box and returning to the sidelines sooner than expected, Notre Dame's coach, Lou Holtz, a close-up view of the Fighting Irish's loss as the team allowed the most points in his 10-year tenure.

COLLEGE FOOTBALL

scored three touchdowns following Irish turnovers during a 5½-minute span in the third quarter, and beat No. 15 Notre Dame, 45-26, on Saturday in the first meeting of the schools since 1936.

"I don't know how much people paid for tickets out there, but they got their money's worth," Ohio State's coach, John Cooper, said of the ball-hoofed matchup between the Buckeyes and Fighting Irish.

Holtz, who coached Notre Dame from the sideline for the first time since undergoing spinal surgery Sept. 12, watched as the Irish gave the ball away on three straight possessions.

The turnovers led to touchdowns by Ohio State, which quickly turned a 20-14 deficit into a 35-20 lead.

Eddie George rushed for 207 yards and two touchdowns for Ohio State, and Bobby Hoyer threw four touchdown passes — two to Terry Glenn.

No. 2 Nebraska 35, Washington St. 21; In Lincoln, Ne-

braska, quarterback Tommie Frazier scored three touchdowns and freshman Ahman Green ran for 176 yards and a score as Nebraska gained 428 rushing yards.

No. 3 Florida 28, Mississippi 10; Danny Wuerffel threw three touchdown passes in Gainesville, Florida, his first two extending his streak of getting the Gators into the end zone to 10 straight possessions.

No. 4 Colorado 38, No. 10 Oklahoma 17; John Hessler made Colorado history in his first career start, throwing a school-record five touchdown passes. Replacing the injured Koy Detmer, he brought the Buffaloes back from first-half deficits of 10-0 and 17-7.

No. 5 Southern California 31, Arizona St. 0; Keyshawn Johnson became the first college player with 100 or more yards receiving in 12 consecutive games. He had 13 catches for 171 yards as the Trojans didn't miss three suspended starters.

Wisconsin 17, No. 6 Penn St. 9; Penn State was shut out in the first half for the first time since 1992 against Miami, 33 games ago. The Badgers were led by Darrell Bevell, who was 18-for-22 and threw two touchdown passes.

No. 8 Michigan 38, Miami, Ohio 19; Brian Griese, son of NFL Hall of Famer Bob Griese, threw two touchdown passes for Michigan in Ann Arbor. Griese was 10-for-13 for 157 yards in the first half in relief of injured Scott Dreisbach.



Virginia's Percy Elsworth (27) and Ronde Barber stop Wake Forest's Desmond Clark.

No. 11 Virginia 35, Wake Forest 17; The Cavaliers beat Wake Forest for the 12th straight time as Mike Groh passed for 335 yards and two touchdowns in Charlottesville, Virginia.

No. 12 Tennessee 31, Oklahoma St. 0; Jay Graham rushed for two touchdowns and Peyton Manning passed for two in Knoxville, Tennessee, as the Volunteers scored twice in the final 70 seconds of the first half.

No. 13 Auburn 42, Kentucky 21; Auburn took a 35-7 lead at Lexington, Kentucky, in

beating Kentucky for the 13th straight time. Patrick Nix passed for three first-half touchdowns and 191 yards for Auburn. Moe Williams rushed for 164 yards and two touchdowns for Kentucky.

No. 14 Louisiana St. 20, South Carolina 20; LSU needed Sheddric Wilson's 19-yard touchdown catch with 1:06 remaining and Andre Lafleur's extra point to salvage a tie at Columbia, South Carolina.

No. 16 Kansas St. 44, Northern Illinois 0; In Manhattan, Kansas, Kevin Lockett broke the school record for

touchdown catches, and Bill Snyder became Kansas State's winningest coach as the Wildcats are 4-0 for the third straight season.

No. 18 Washington 26, Oregon St. 16; Quarterback Damon Huard surpassed the 4,000-yard mark in career passing at Corvallis, Oregon, as the Huskies beat Oregon State for the eighth straight time.

No. 20 Alabama 31, Georgia 0; Alabama's defense forced six turnovers at Athens, Georgia, as Georgia was shut out for the first time in 48 games.

In Shulas' Coaching Duel, Dolphins Outlast Bengals

The Associated Press
The Shula vs. Shula sequel had a lot more drama but the same ending: Dad Don huffed son David at midfield and walked off a winner.

Dan Marino threw a 16-yard touchdown pass to O.J. McDuffie with 1:03 left Sunday, keeping the Don Shula's Miami Dolphins unbeaten with a 26-23 victory over Dave Shula's Cincinnati Bengals.

Cincinnati (2-3) wasted a chance to tie in the closing seconds when Doug Pelfrey's 45-yard field-goal attempt drifted a few feet wide left.

Miami is 4-0 for the fifth time in club history and the first since 1992.

The two quarterbacks made sure the second father-son coaching match-up in NFL history eclipsed the original for excitement. The Dolphins simply ground out a routine 23-7 win last year.

Jeff Blake kept Cincinnati in it until the end by throwing three touchdown passes to Carl Pickens, the last a 10-yarder with 3:39 left for a 23-19 lead. Blake completed 18 of 34 overall for 213 yards.

But there was plenty of time left for Marino, who is one of the main reasons that Papa Shula has 340 career coaching wins, the most in NFL history.

Marino led the Dolphins 91 yards in 10 plays, completing 8 of 10 for 76 yards on the final drive. The touchdown was vintage Marino: a quick pump fake as McDuffie curled towards the sidelines, then a perfectly thrown pass that allowed the receiver to go up and pull it in

over Roger Jones. Marino, in his first game back from a bruised chest, completed 33 of 48 for 450 yards, but let the game reach a tense finish by failing to finish off drives.

Pete Stoyanovich led his career high with four field goals — of 21, 46, 36 and 35 yards — to rescue the Dolphins. His last kick put Miami up 19-17 with 10 minutes left.

Redskins 27, Cowboys 23; First, Troy Aikman left the

game and then the Cowboys fell apart.

The Redskins, sensing a vulnerability in their most hated rival, responded with a performance full of gritty second effort and held off a late rally for a victory over previously unbeaten Dallas.

The Cowboys became stunningly mortal in all phases of the game after Aikman left with a strained calf on the Cowboys' first possession.

The Redskins defense put eight men up front and dared Wade Wilson to pass, and the 36-year-old backup didn't find his rhythm until it was too late. Emmitt Smith failed to rush for 100 yards for the first time this season, and the Dallas offensive line allowed two sacks, as many as it had given up previously all season.

Aikman grabbed his leg and fell backward after throwing a pass on the Cowboys' first possession. He was out hit on the play, but appeared to get his cleats caught in the natural grass.

NFL HIGHLIGHTS

Return of Mario Lemieux 1995, the Year of Sports Comebacks

By Joe Lapointe
New York Times Service

NEW YORK — Mario Lemieux's return to hockey is the third such event in 1995, the Year of the Sports Comeback.

The first involved Michael Jordan, the basketball star, who missed more than a season and ended up playing minor league baseball. Maybe it was a coincidence, and maybe it wasn't, that he changed sports during a public examination of his recreational gambling hobby.

The second involved Monica Seles, the tennis star, who needed more than two years to recover from physical and psychological wounds after being stabbed in the back by a spectator in Germany.

Compared with the uproar over those comebacks, Lemieux's return seems almost routine. He is back with the Pittsburgh Penguins after more than a season on the shelf following back problems and his battle with Hodgkin's disease.

His timing is good. The season he missed was shabby, delayed for 15 weeks by a labor lockout and completed with too many dull games in too few "shod nights."

This one promises to be better, thanks to labor peace and to new officiating policies that will favor talented superstars such as Lemieux. In the seasons before his sabbatical, Lemieux was a frequent critic of the holding, hooking and interfer-

ence that allowed mediocre players to nullify their better.

Coaches taught these techniques and referees gradually stopped penalizing many of them. It became a quality-of-life issue, like the gentle exorcism of the squeegee men and panhandlers who have decorated the sidewalks of New York. Such behavior, if tacitly allowed, begins to seem almost normal.

In his harshest remarks, Lemieux once called the NHL a "garage league," a description

Usually a reluctant celebrity, he may now be the NHL's best salesman.

accidentally changed in some accounts to "garage league," which also seemed to fit his evaluation of his work environment.

Now, the league promises to obstruct the obstructers. Having squandered its marketing momentum last season, the promoters seek a faster, more sleek, more slick show to sell over the Fox Network and in the ESPN networks and in Miami and Anaheim, California, and in 24 other markets.

Usually a reluctant celebrity, Lemieux might not be the ideal superstar/salesman for the NHL of the late 1990s, but he might

be the best available. The league really has no one with the charisma of Jordan and the exuberance of Seles. It is almost as if hockey is searching.

Wayne Gretzky, the 34-year-old legend whose sublime skills are waning on a bad Los Angeles team, has lost a little luster in recent seasons. He seems weary of the acclaim and attention, hiding out in Hollywood.

Eric Lindros, the young Philadelphia star who last season won his first Hart Trophy as the league's most valuable player, is still wary of the spotlight and may never warm to it.

So this leaves Lemieux, and the stories from Penguins camp have been optimistic. They say he is in great shape, no longer soft around the middle.

Although Lemieux is not about to grab a microphone and make an MTV video, reporters say he has been available for interviews and, if not colorful, at least accommodating. Perhaps he missed the scene. And when the Penguins were winning the Stanley Cup in 1991 and 1992, Lemieux — with his big reach, his quick, hard shot and his eerie play-making instincts — was undeniably the greatest show on hockey earth.

He celebrates his 30th birthday this week. A healthy, happy Lemieux could help restore the health and happiness of his business. Such serendipity. Happy birthday, Magnifique. Welcome back.



Diego Maradona dribbling past Kim Hyun Seouk.

Maradona's Team Wins Seoul Match

The Associated Press
SEOUL — Diego Maradona made a colorful but unspectacular return from a 15-month drug-related suspension Saturday as his Boca Juniors beat the South Korean national team, 2-1.

Sporting a blond streak in his black hair like a racing stripe, Maradona set up a goal in the 42nd minute when Carlos MacAllister headed in his corner kick.

The 70,000 fans who packed the Chamsil Olympic Stadium exploded into applause when the soccer star from Argentina demonstrated occasional passing brilliance.

But Maradona, 34, looked tired and sluggish in the second half and was on the sidelines giving interviews with five minutes to play.

Maradona failed to demonstrate the mesmerizing footwork and spectacular goals — his trademarks in leading Argentina to the World Cup title in 1986. His only goal attempt slid wide over the crossbar in the second half.

Ha Suk Joo scored South Korea's only goal seconds before the end of the first half.

Maradona reportedly received \$1.75 million to make his return with this match. He was suspended from the 1994 World Cup after a test showed a stimulant in his system. It was his second suspension for flunking a drug test.

The game was part of South Korea's efforts to promote its bid to host the 2002 World Cup finals, and the production threatened to overshadow the match.

President Kim Young Sam and President Carlos Saul Menem of Argentina watched the entire game after each made a ceremonial kickoff. They posed with Maradona for photographers.

Maradona's nine-day visit sparked controversy over what the local media called "strange" behavior by the international soccer star.

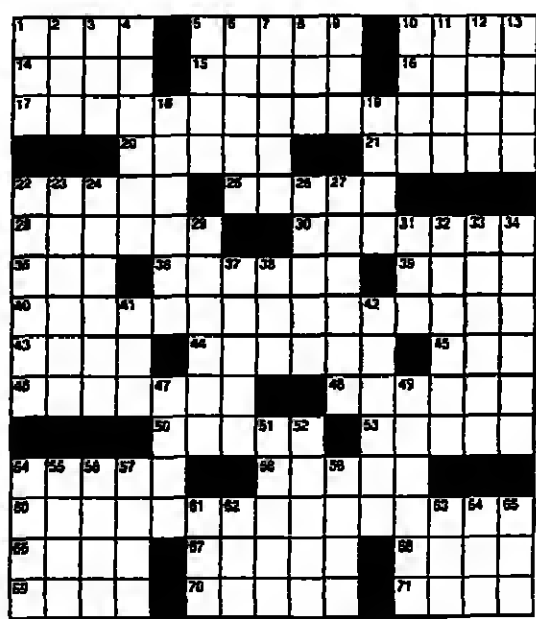
He embarrassed South Korean organizers when he missed his plane Sept. 21, forcing changes in the schedule for elaborately planned welcoming ceremonies and a news conference.

He canceled a coaching session for children at an amusement park after keeping them waiting two hours.

About 1,000 fans who waited in the rain for an hour at a train station for a scheduled autograph session were disappointed when he limited his appearance to 10 minutes for some juggling tricks.

CROSSWORD

- ACROSS
1 Actor Guinness
5 Philatelist's book
10 Cure
14 Impetuous
15 Monte
16 "Rule, Britannia" composer
17 Old-fashioned greeting
20 Brings up, as young
21 Dances Oe Mille
22 Located
23 Item in S-Across
24 Release, as the end of a chain
26 Annual golf tournament, with "the"
30 Parisian summer
36 Iterative
38 Inter
40 1975 Pacino film
43 Needle case
44 Spy magazine feature
45 Suffix with Brooklyn or Manhattan
46 Drawer: Fr.
48 Equilibrium
50 Cathedral parts
53 Manage to avoid
54 "Darm Yankess" composer
55 Bulgaria's capital
56 "The Magic Flute" role, with "the"
58 Stalin's land
59 "What — I" ("That's funny")
60 Zuego's love
61 J.D. holder
62 Café cup
63 Gush
64 Suspend
65 Ireland
66 Green Gables girl
67 Gangster Diamond
68 Felt topper
69 90's songs
70 Shoe leathers for Elvis
71 As a whole
72 What early starters jump
73 British mums
74 "What — I" ("That's funny")
75 Sunlamp product
76 Pizza bird, in children's
77 Hoedown
78 Most logical
79 TV host, Jack and others
80 Salamander
81 Make a hole
82 Keep
83 Make money (uses)
84 These, in Lima
85 New York and London areas
86 Water, for Cato
87 Mard's target
88 "We forget"
89 Weird, Var.
90 Emotionally grandly
91 Dobbin's habit
92 Agcy. for homeowners
93 Hustle
94 Charlemagne's domain: Abbr.
95 Playing marble



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A Last Good-Bye to Boston Garden

The Associated Press

BOSTON — Wil Curtis dressed in his Bruins fan best: An old black, gold and white team jersey covered in players' autographs. To wear anything else would have been disrespectful, he figured.

The Boston Garden, where his father introduced him to professional hockey in 1961 and where he later showed his own son the sport for the first time, was closing its doors for good.

"I'll miss this place. It was great to bring a family here," Curtis said Friday night. "I suppose the other place will be nice. It won't be the same, but it won't smell like elephant has left town, either."

Curtis showed off all the autographs he has collected over the years. The first was No. 4 Bobby Orr. Then came the goalies, Gerry Cheevers and Gilles Gilbert, and scores more.

"The oldest one I have is Ed Sandfield," Curtis boasted. "They called him Snowshoe Sandfield in the '50s. He was a time-keeper here for years and I chased him all over the Garden one night. I had his rookie card. He was tickled pink I had it."

Curtis and his 20-year-old son Wilbur were among the 11,634 people who crowded into the 67-year-old Garden for the arena's finale. The show started with reminiscences and a videotaped farewell from Vice President Al Gore.

The 2½-hour show traced the Garden's history from its start on Nov. 17, 1928, when a local featherweight won a 10-round decision over the world champion from France, to the Boston Celtics' 16 NBA championships since 1946, and the Bruins' five Stanley Cups.

Then there were the concerts: Elvis Presley, the Beatles, the Grateful Dead. Peter

Red Auerbach joked about the Garden's spartan locker rooms and cold showers.

Wolf of J. Geils Band fame and Livingston Taylor both performed Friday night.

The building also was host to political events over the years, such as John F. Kennedy's pre-election rally on Nov. 7, 1960, that packed the house with 20,000 people inside and 100,000 more in the streets around North Station.

But the Curtises came to see the athletes who made the Garden their home. They crushed in against a crowd that formed along the side entrance to catch a glimpse of Orr and Phil Esposito, when they were escorted in. "Hey, Expo," someone yelled. "We love ya, baby."

Later, the crowd boomed at most mentions of the FleetCenter, the Garden's \$160 million replacement next door that opens today. They also booed the introduction of Bruins president and general manager Harry Sinden.

But the crowd cheered long and loud for former Celtics greats Larry Bird, Bob Cousy, John Havlicek, Tom Heinsohn and others. A cigar-chomping Red Auerbach joked about the Garden's spartan locker rooms, cold showers and the faded dead spots of the parquet floor that has been moved to the new venue.

Then Bird, Auerbach and Celtics coach M.L. Carr unfurled the team's 16 championship banners from the building's rafters for the last time. Earlier, Orr and Bruins president Harry Sinden unrolled the Bruins' banners.

"It's been a great old building," Orr said. "The Raymond Bourques and the Cam Neelys and many others will give you many more memories. Good luck to the Bruins and the Celtics in their new building."

All the while, Rich Hoague had to peer through his binoculars to see the show. His \$30 seat wasn't the worst in the house or the cheapest, but it was vintage Boston Garden. He was in the back row and had a good view of the underside of the balcony.

"I hope I won't need these things in the new building," he said, "but I don't know. I hear it's seven stories high."

On Rhetoric and Its Devices

Another rhetorical device that worked
 was what the Greeks called *epanodos*,
 meaning "the road back," which is repeti-
 tion in reverse. Shakespeare used *epanodos*
 in "Macbeth": "Fair is foul, and foul
 is fair." The first lady used it in Beijing:
 "Human rights are women's rights. And
 women's rights are human rights."
Epistrophe is also a Hillary specialty.
 That's the ending of phrases with the same
 term. "If women are healthy and educated,
 their families will flourish. If women are
 free from violence, their families will
 flourish. If women have a chance to work .
 . . their families will flourish."
 With those positive elements noted,
 some constructive criticism:
 "Women comprise more than half the
 world's population." The parts do not *com-
 prise* the whole: the whole *comprises* the
 parts. *Comprise* is a synonym for *include*,
 and a smaller group can never "include"

I will not cavil at her use, four times, of *raise* in connection with the upbringing of children. We in the rear guard of usage prefer *rearing* children and *raising* cattle, but this distinction is being worn down and may have been given a powerful clasp on the head by the first lady in this form on speech to a world body. However, her locution "fast-food chefs" is an oxymoronic euphemism: the 1951 modifier *fast-food*, like its predecessor *short-order*, applies to *cooks*, whether they work in "greasy spoons" or "fast-food joints"; *chefs* (from the French *chef de cuisine*, meaning "head of the kitchen") carries a clear connotation of gourmet cooking.

Mrs. Clinton urges women to "take greater control over their own destinies": I would urge them to take control of, rather than *over*, or to exercise greater *power over*. This seems like a nitpick, but if you are going to empower an entire sex, you have to give it the proper linguistic tools.

Same with her use of "caretakers for most of the world's children"; since you take care *of* children, the better choice would be "caretakers *of*."

Is any of this belated copy editing necessary? Wasn't it a good speech, well received by all except the repressive Chinese gerontocracy? The central message of Hillary Rodham Clinton's most important speech came across with courage and pugnance (loud and clear, if cliché's appeal), but when a representative of the United States steps on the world stage, he or she should pay attention to the details.

"I didn't make it happen," she said in an interview the other day in her wood-

Ruth Simmons: A Scholar and a Symbol

Ruth Simmons, ninth president of Smith College, attends a student tea.

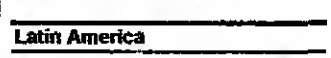
"If it's not a good place for African-American students," she said, "it's not a good place for me."

Forecast for Tuesday through Thursday, as provided by Accu-Weather



North America	Europe	Asia
Rains from what should be Hurricane Opal will soak parts of the southeastern U.S. Tuesday through Thursday, with the heaviest rain in the northeast into Washington D.C., New York and Toronto Thursday. Aside from a shower Tuesday morning, there should be dry days Thursday.	London and most of England will be windy and cool with showers, but Moscow will be unseasonably cold with temperatures in the 30s Tuesday and Wednesday. Rome will have pleasant weather with a good deal of sunshine the first half of the week, but northern Italy will be wet.	Typhoon Sibily will be heavy rains to southern China Monday and Monday night. Moisture from the typhoon is likely to bring another round of drying rains to central China Tuesday and Wednesday. Beijing will be rather cool and dry, but the typhoon will be seasonably warm.

Asis



City	2007	2008	2009	2010	2011	2012
Buenos Aires	22,771	14,577	pc	22,771	13,565	pc
Caracas	31,688	23,657	pc	30,696	21,770	pc
Lima	18,854	16,651	pc	19,685	16,651	pc
Mexico City	26,678	13,651	pc	26,777	13,655	pc
Rio de Janeiro	27,800	19,765	pc	31,688	20,686	pc
Santiago	14,577	9,648	sh	12,553	1,134	pc

North America

City	2007	2008	2009	2010	2011	2012
Anchorage	7,444	1,134	t	9,446	-1,131	pc
Atlanta	27,800	18,854	sh	24,775	17,652	pc
Boston	25,777	16,651	e	22,771	14,657	pc
Chicago	21,670	11,552	pc	17,452	9,448	pc

Where's the Beef? Argentina Goes Vegetarian

BUENOS AIRES — It is lunchtime at the downtown Yin Yang restaurant, and the owner, Perla Palacci de Jacobowitz, is carrying trays of microbiotic salads with tofu, vegetable-stuffed empanadas, and fruit-sweetened breads to the tables of dozens of hungry customers.

"Opening a natural foods restaurant in a country of meat-eaters did not seem like the wisest thing to do, but it will pay off," Palacci said. "People are more health-conscious these days, so there are more people coming in the doors."

Across town at Parrilla Parana, a traditional outdoor barbecue, the pungent smoke of roasting beef billows from open grills, eliciting smiles from passersby. But the restaurant's tables and counter stools remain empty, waiting for the throng of patrons who once occupied them.

fare, construction crews can be seen eating sandwiches and salads, when several years ago the typical laborer's lunch was beef cooked on a makeshift grill.

Could this be the same land where people once considered it almost a national duty to eat a thick steak, grilled sweetbreads, and spicy sausages at least once a day?

Argentina, known the world over for its beef, is eating less red meat these days and more poultry, pasta, and salads. Concerned about their health and beset by a stubborn recession and record unemployment, Argentines are exercising more and eating lighter and cheaper.

To meet the new demand, a growing number of inexpensive vegetarian restaurants, natural food markets and salad bars have opened. The national palate, traditionally very bland, is expanding, and ethnic restaurants are opening in large numbers for the first time in Buenos Aires, which now has Chinese, Thai, Japanese, Indian and African eateries.

To be sure, vegetarians are still considered odd in Argentina. "It's difficult to live here as a vegetarian," said Carlos Figoli, a 40-year-old cab driver, who parked to eat his meatless pasta lunch. "Most of my friends look at me funny and think I'm crazy. They always question why I don't eat meat in Argentina, the country with the best meat in the world."

Argentines still eat more beef than people in any other country, and most families continue to have a weekend *asado*, a mixture of beef cuts and innards grilled over charcoal. But they are eating beef less often than they used to.

Of course, Argentina is not allowing beef — a \$4-billion industry as well as an important national symbol — to fade away silently. President Carlos Saul Menem recently urged Argentines to eat more red meat, vowing, "the green fad is on the way out." And the Rural Society of Argentina plans an advertising campaign to promote the "unique" virtues of Argentine beef.

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